

FAR EASTERN ECONOMIC REVIEW

FINANCE, TRADE & INDUSTRY

Vol. I.

Hongkong, October 23rd, 1946.

No. 2.

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Notes of the Week

Port Authority

The importance of private enterprise is also manifested in the history and development of the port of Hongkong. In February 1941 Sir David J. Owen who had been General Manager of the Port of London Authority made a report to the Government of Hongkong on the future control and development of the port. He paid a tribute to the part which private enterprise had played in the history of the port and admitted that it had succeeded to a remarkable degree in meeting the needs of the situation. He was struck by the lowliness of the changes which the principal godown companies were able to make which were lower than those at any port of which he had knowledge. He stressed the fact that Hongkong owed its trade and prosperity largely to its magnificent harbour, and to the cheapness and efficiency of the facilities offered by private enterprise.

In advocating the establishment of a Port Authority or Trust to control and develop the port in future he felt that private enterprise provided all that was necessary for certain sections of the trade but fell short in other directions; that the port was not considered an entity but was at the mercy of various jurisdictions which were not coordinated; and that there was no body or department which was vested with the initiative and responsibility for supervision and future development.

Sir David drew a distinction between control and operation; control means supervision, i.e. the drawing up of regulations and seeing that they are observed and settling the policy while "operating" is the actual handling and the business management of all work connected with berthing of ships, the discharge of their cargoes and the removal of the goods to and from warehouses or godowns.

Sir David recommended the establishment of a Port Trust to control the port and to be responsible for future development and reclamations. The suggested constitution of the Trust was three government officials of high standing (one of whom might be a naval officer) to be appointed by the Governor, three British subjects connected with the trade of the Port to be appointed by the Governor, on the nomination of the General Chamber of Commerce, one person interested in the trade of the Port to be appointed by the Governor on the nomination of the Chinese Chamber of Commerce, and an independent Chairman being a person of business experience with a knowledge of port affairs to be appointed by the Governor on the nomination of the other members of the Trust.

The only hesitation which the author of the Report seemed to have was whether the Trust which would ultimately need its own staff and secretariat would lead to additional expense which would adversely affect the cheap handling of shipping upon which the prosperity of the port depends. Hongkong is an entrepot and a port for the transhipment of cargo; before the war only about one third of the imports into the Colony was intended for retention, and less than one tenth of the exports originated here. Hongkong was able to secure its excellent harbour coupled with the cheapness of its facilities.

Government has appointed a committee which is now sitting to advise on the future of the port. Government owns the frontages and the piers which are let to occupiers under leases or temporary licenses all of which expire in 1949. While it is not desirable to prejudice or anticipate the deliberations of the expert committee now working the opinion may be expressed that a Port Authority or Trust as recommended by Sir David Owen appears to be too heavy and the development of a separate staff with its consequent additional expense might especially with regard to the possible future establishment of a Municipal Council lead to duplication of services. There is room for tightening up of coordination, responsibility and initiative under a Harbour Master without jeopardising the advantages of private enterprise and the cheapness and efficiency which traditionally have secured for Hongkong its favourable position as a great port.

Housing

The arrival last week of the "Otranto" and the "Empress of Australia" laden with women and children has further aggravated the acute shortage of accommodation. This shortage is prevalent in all countries affected by the war. In Hongkong as in England there was an immense lag between promise or at least a reasonable expectation and performance.

In January of this year the Military Administration took up the matter and appointed a Building Reconstruction Advisory Committee under the chairmanship of Mr. Lawrence Kadoorie with a strong committee representing all interests of the community. A Final Report was issued in April.

The principal trend of the Report was in favour of a Government controlled housing scheme, of the procurement by government of materials in short supply and a government rehabilitation loan at low rate of interest to encourage private enterprise.

So far there has appeared no concerted action to carry out any housing scheme. The Services, after long delays, probably due to financial limitations, are making temporary repairs to certain buildings keeping many other substantial premises under requisition empty and in disrepair until more money is available; Government is, again within its limitations, rehabilitating premises for the Public Works and for the housing of Government servants; the larger business firms are repairing and rebuilding houses and flats for their staffs. But of organised action to provide housing for the ordinary civilian there appears to be none.

Delay may be attributed to a great extent to shortages of components and fittings coming forward in balanced quantities at the right time. It may be questioned however whether the task has been handled as effectually as it could have been, and whether government procurement and control of materials has been a success.

The latest housing statistics from England show an extraordinary disparity between the rate of completion of permanent houses under the government scheme and that under private enterprise. Out of the houses started in February by the local authorities only 20% were completed by the end of August, whereas out of those started at the same time by private builders 90% had been finished.

There are many reasons for this disparity. In Hongkong the Government departments between which the work is shared have too much other work on hand and they are dependent on the slow working of various services at Home and in the matter of supplies and shipping. The private builder who usually puts up houses in small batches finds it easier under present conditions of shortage to secure delivery of supplies than a government authority which builds a large number simultaneously and has to place bulk order. The private builder has a great ability and incentive to put up houses quickly; he generally works on a bank overdraft and is under pressure from his prospective purchaser to finish the task speedily and to secure a quick turnover.

The private builder, however, cannot build without financial assistance. Private enterprise is probably in a better position in the Colony to obtain the necessary staff and labour, and with the improvement in shipping the re-establishment of the large commercial firms here he is also probably in a better position to import the necessary building material.

Government needs time to perfect an organisation for a long term scheme. In the meantime thousands will be kept waiting till it gets under way. The time has now come to enlist private enterprise to build houses to the fullest extent and to subsidise short term schemes by loans at a low interest in the manner suggested by the Kadoorie Report.

Legislative Council

Two points of note arose last week in the proceedings of the Council:

(1) *Factories and Workshops Amendment Bill*

A point of constitutional importance was well taken by the Hon. Mr. M. K. Lo when he moved amendments to the Bill to maintain the rights of the Legislative Council to approve bylaws and regulations made under the authority of the Factories and Workshops Ordinance 1937. Under the 1937 Ordinance the power to make bylaws and regulations was vested in the Urban Council subject to the approval of the Legislative Council. The new Bill proposed by Government purported to take away such power from the Urban Council and vest it in the Governor in Council without any reference to the Legislative Council.

It is true that the power of making laws and regulations under ordinances of the Legislative Council is normally conferred upon the Governor in Executive Council. This, however, was a case where a delegation of power had already been conferred upon the Urban Council subject to the overriding approval of the legislature.

The importance of the point was greatly enhanced in view of the possible establishment in the near future of a Municipal Council in which the powers and functions of the Urban Council will be merged, and upon which should be conferred the power of factory and workshop supervision.

Mr. Lo successfully maintained the vigilance to prevent any encroachment on the existing functions of the legislature by the executive and to safeguard for the future Municipal Council the powers which should be conferred upon it in order to make it a reality and not merely a glorified but desiccated Urban Council.

(2) *Stamp (Amendment) Ordinance 1938:*

This ordinance which has now become law retrospectively as from September 30, 1946, has for its stated object the provision for the payment of an excess stamp duty of 10% leviable on any increase in the purchasing price of interests in land on any new transfer.

The Taxation Committee is to be congratulated on devising an effective and simple form of raising revenue. The translation of its intentions into a draft bill, however, has presented many difficulties and the original Bill had to be referred to a select committee in order to amend it so as to meet the criticisms of members of the legal profession and others concerned in applying it to practical transactions.

It serves no purpose to analyse this measure with a view of discovering the basis theory of the tax. If it were intended as a tax on the owner of land in respect to the increased value of his property due to the expenditure of labour and money by the state in developing the Colony it would not achieve its purpose, for it is the buyer not the seller who usually pays the costs of incidental to the

Present Conditions of British Trade with China

Protection & Promotion of British Interests

Mr. John Keswick's Report to the British Chamber of Commerce

At the annual meeting of the British Chamber of Commerce, Shanghai, Mr. John Keswick, the Chairman, reviewed most comprehensively the present state of the British position in China. He dealt with legal difficulties in connection with companies' registration and registration of land; financial and trade problems facing British banks and traders; the Shanghai Stock Exchange; Chinese government commercial monopolies; the obstacles put in the way of insurance business; and many more, in fact, all the items bearing on the present situation.

Following is the full text of Mr. Keswick's speech:

1. *Registration.*—The Chamber has sent out several circulars to members on the subject of registration of companies and it is understood that the majority of companies are now proceeding with registration where it is possible to do so. It is unfortunate that there has been some delay in the promulgation of the required ordinances for registration in

conveyance. In practice it will be immaterial as the price at which a seller is prepared to sell and a buyer is willing to buy will depend on the law of supply and demand.

The excess stamp duty is payable on the difference between the selling of the property after September 30, 1946, and the value of the consideration attributable to the same property on the last conveyance on sale after January 1, 1938. If there is no record of any sale after January 1, 1938, the consideration previously attributable to the property is taken to be its value on January 1, 1938 or on the date when the property was first acquired from the Crown whichever is the later date.

In a case where improvements were made to the property between the two determining dates (e.g. between January 1, 1938 and the date of the conveyance) the actual costs of such improvements not their present value is added to the previous value.

There are only two points on which we desire to comment. It is doubtful whether the Collector even when authorized to enlist assistance to help him to assess values for the assessment of the tax is in a position to satisfy the community on such a technical matter as land values. A land assessment committee of three persons representing different interests might be an alternative suggestion. The other point is that while speed and secrecy may be essential to preclude evasion of a tax, the history of this Bill has shown the necessity of a free discussion by the Legislative Council before any measure involving substantial taxation is passed.

Hongkong, where facilities for registration have only comparatively recently been re-established, in the case of companies who wish to retain their foreign status. In the opinion of your Committee it is desirable that companies with head offices abroad should register in China as early as possible and it has been fortunate that the final date of 30th June has been extended by the Chinese authorities. Registration by all British companies should not and cannot be avoided.

2. *Exchange.*—The temporary regulations governing exchange introduced on the 4th March, 1946 provide means of financing import and export business which previous to that date had not been in existence. Taking into consideration the difficult period through which China has been passing it must be admitted that, while there is more formality and less liberty in banking procedure, the Chinese exchange regulations are not more irksome than are to be found in many other countries. There are, however, a number of unsatisfactory points, for instance to-day it is not possible freely to obtain remittances for interest on foreign loans, rehabilitation expenses, interest on investments, profits, dividends, insurance premia or provident and pension funds. These points have been made to the Chinese authorities and it is hoped that they may sooner or later find themselves in a position to meet what must be regarded as very reasonable requests if foreign participation in the rehabilitation is going to be real.

The absence of an official quotation for sterling by the Central Bank has proved a handicap to British merchants in their endeavour to foster trade between China and Sterling area countries. But the difficulties facing the Chinese authorities in this connection must not be overlooked. While the United States Dollar/Sterling cross-rate is strictly controlled within the Sterling Area, it is inevitable that an open market for sterling based on supply and demand must exist outside that area and China

is no exception in this respect. In fairness it must be said that the Central Bank has given considerable help to the Appointed Banks which may engage in foreign exchange transactions to acquire sterling currencies as cover for their operations and the Central Bank has by itself provided cover at market quotations. It is to be hoped that when Sterling Area countries are in a position to grant increasing deliveries of goods required by China, this further demand for sterling will lead to its continued appreciation. My personal belief is that when possible, the Chinese authorities will be as happy as anyone to see the official cross-rate maintained in this market.

3. *Imports.*—Your Sub-Committee on Imports have given much thought to the problems which face the importer, many of which contain unpleasant features of post-war conditions. First is pilferage, which is very serious and has been engaging the attention of the Chinese authorities. Secondly, an unduly large amount of damage due to rough handling. Thirdly, long delays in passing Customs, and fourthly, tremendous charges for handling and delivering. In addition, the importer has had to contend with extreme shortage of supplies in exporting countries and long delays in shipment from abroad. It is important to note that deliveries from Great Britain often cannot be promised under 6, 12 or 18 months. This has an undesirable effect, not only because the Client wishes to have his purchases as quickly as possible, but also complicates financial arrangements due to the fact that the Central Bank of China does not allow exchange to be fixed for more than three months ahead.

4. *U.N.R.R.A.*—UNRRA has frequently been marked as the enemy of the Importer and in such cases as the importation of capital goods, plant, machinery, etc., UNRRA has probably been guilty of taking business away from the importer. Although UNRRA-CNRRA methods of handling and distributing consumer goods may not always have received the approval of the merchant importer, the task which this organisation has before it, however, is a difficult and a great one and I feel we should try to regard as kindly as possible the decisions it may decide to take in connection with the rehabilitation of China. Few will dispute that the cause which UNRRA upholds is a fine one, though to many their methods have been less easy to understand.

5. *Exports.*—Since the end of the year the Chinese export trade has made disappointing progress along the road to recovery and while the Chinese Government's financial policy originally appeared to favour imports, the recent adjustment in the exchange rates indicate anxiety of the authorities to stimulate their exports. In this review it is not practicable to point out all or any specific part of the general conditions prevailing in China as the cause of the existing state of the export business, but the basic problem is transportation and not production. In many cases resumption of trade has been difficult due to the fact that factories and equipment have been destroyed during the war. This applies particularly to egg factories and handling facilities for wood oil. Moreover there are reports of destruction of Tung and Mulberry trees and uprooting of tea bushes. I regret to say that prospects for improved production of Chinese produce are not yet good. Undoubtedly the main impediment in exports is an economic one. Prices for the last few months of most Chinese export commodities have been far in excess of what buyers abroad could, or would afford to pay. Through the far sighted action of the Central Bank, packing credits were established with the authorised banks which enabled exporters to obtain low interest rates. An additional stimulant has been added by the abolition of all export duties and taxes, though the delay in transmission of instructions to the enforcing authority detracted somewhat from the efficacy of the reform. It is very disappointing, however, that dealers have increased their dollar prices in exact proportion to the devaluation of the Chinese currency. For instance, on 3rd

August the f.o.b. price of wood oil was £220 per ton. The day after the exchange adjustment took place that f.o.b. price was £210.16.0d per ton, a reduction of only 4½%, although the cancelled export duty equalled 5.4%. Until China's general economic position improves and her internal costs of living, labour and transportation are lowered there does not appear to be any hope that a prosperous export trade will be resumed.

While on this subject, I would like to draw attention to the business tax of 1½% on turnover. Whilst many articles could undoubtedly stand this taxation under normal circumstances, there are many commodities normally exported from China in competition with other world markets where only a small commission is possible (in many cases even less than 1½%). As things are to-day, a withdrawal of this tax would make little difference, but when supplies again become available at reasonable prices, it will certainly be a determining factor. There are also reports from the Provinces of local taxes. If these prove to be true, they will be an added deterrent. It is hoped that the Ministry of Finance will give serious attention to the possibility of levying all taxes of whatever kind on exports through the Customs. Such action would ensure their easy control and at the same time eliminate unequal competition between merchants who pay or who evade taxation. At this stage it is opportune to note that the telegraph and airmail services have up till now been operating so slowly that merchants have had great difficulty in conducting their business. Any improvement would be to the benefit of China's exports as well, of course, to our imports and general activities.

Before passing on I would like to add that a speeding up of the process in the testing Bureaux would have a beneficial effect.

6. *Labour and Wages.*—Employers are viewing with alarm their steadily rising wages' expense sheets, and while they realise, of course, that workers' wages must be increased in relation to rising cost of living, it is difficult not to believe that many of the demands made on employers have been the result of organised agitation. The success which some of the earlier strikes and demonstrations achieved, led other workers to be persuaded that they too could easily reap similar benefits. The situation to-day is that many factories and business houses are wondering how long these excessively high wages can be paid. I say excessively because compared with labour costs elsewhere they are excessive. It costs as much to move a motorcar across the Whangpoo as it does across the Pacific.

7. *Stock Exchange.*—In spite of the efforts on the part of members of the former Shanghai Stock Exchange, it would appear that the Chinese Government will not sanction the re-opening of this Exchange. You will have seen from the Press, however, that the organisation of a Chinese Stock Exchange is under way and foreign members will be allowed to take part in some form but not to operate on the floor. An official Exchange will be welcome because it should then be possible to assess the value of securities held by British shareholders. It is too soon to say whether the new organisation will provide a successful market for the prudent investor.

8. *Government Monopolies.*—The Chamber welcomes the authoritative statement of Dr. Soong that the Government has no intention of retaining its monopolistic companies. We have watched with anxiety, which is shared apparently by our Chinese business friends, the growth of the Central Trust, the China Silk Corporation, the China Textile Development Corporation, the China Petroleum Corporation and other such organisation. These have been necessary during the war period but as peaceful conditions become more established their continuance can only have a disturbing effect on the normal channels of trade.

9. *Taxation.*—The Direct Taxes have been the subject of much interest to all merchants and their application will have a considerable influence on us all.

Business Tax, Stamp Tax and Income Tax on salaries have been collected in Shanghai for some time, but it will not be possible to judge the full effect of taxation for quite a while yet particularly as it is not by any means clear which of the Tax Laws in force before the revisions made in April last are still to be regarded as operative.

Many of the Taxes are new to us in China and naturally we do not take easily to their addition to our already heavy expenses.

Apart from the burden of this new taxation however, many people feel that the present is not the appropriate time to introduce a Tax so complicated and so difficult to administer as an Income Tax on the lines of the revised law as it now stands.

After 8 years of war there is no doubt that China is in need of revenue and there could be no real grounds for complaint provided taxes are collected universally in an equitable manner.

In considering how best to achieve this most desirable objective however it becomes apparent that the simpler the tax laws the more easily can they be effectively administered.

10. *War Claims.*—So far no procedure has been indicated for the filing of claims for losses sustained by firms and individuals during the war. It is understood that the Foreign Office stated at the end of 1945 that British claims would be made through H.M. Government, but as yet no instructions for the presentation of claims has been forthcoming. The Chamber has recently forwarded a further letter to the Consulate-General for onward transmission to H.M. Government concerning the long delay that has occurred in the receipt of instructions and it is regrettable there is nothing more we can do at the moment other than await results.

11. *Shipping.*—Under the 1943 Treaty, China's coastwise and inland-water trades are restricted to Chinese-flag tonnage. Shortly after the war, however, at the invitation of the Chinese Government, British tonnage was made available to assist in the distribution of relief and rehabilitation shipments. Coastwise clearances were granted under temporary licence, also permitting carriage of commercial cargo and passengers by foreign-flag vessels handling relief shipments; and the British Coastal Companies were thus enabled to participate usefully in China's economic rehabilitation.

After mid-July, however, such coast-wise relief shipments by British vessels were almost entirely withdrawn, concurrently with a press campaign alleging "encroachment on China's sovereign rights".

It is perhaps unfortunate that a somewhat short-sighted nationalism on the part of sectional interests has during the critical days of reconstruction thus deprived China's economy of foreign assistance in a form wherein it could be readily made available, namely efficient transportation at a moderate cost. At one period the Executive Yuan declared its intention to open four ports on the Yangtze to vessels from foreign ports, but opposition from interested parties seems to have nullified this step which would only have been to China's economic advantage. The Yangtze, like the West River and its delta, remain virtually closed to the outside world.

Ocean shipping is coming more freely to Shanghai, but the unfortunately congested state of the port causes serious delay in discharging and loading.

12. Pilferage.—Pilferage and delays in the berthing of ships, as well as the very heavy handling charges at the wharves, are an unpleasant aspect facing shippers to-day. Until better control of Shanghai generally is instituted it would appear that there is very little that can be done by the British merchant to improve the situation. The Mayor of Shanghai recently called a meeting to consider this problem and as a result of this it is understood that more active measures will be taken to combat this nuisance in the form of a strengthened Police force, including river police, more watchmen and determined efforts to break up gangs operating on the wharves. May I add at this point a tribute to the work done by our energetic and enlightened Mayor, Dr. K. C. Wu, and to the Secretary General, Mr. T. K. Ho.

13. Insurance.—The Foreign and Chinese Insurance Companies have been beset with restrictions imposed by the Chinese Government. It has been stated that all insurance business in China is to be effected in Chinese currency and this has greatly reduced the prospect of business as compared with former times. Registration and the declaration of capital under the Insurance Regulations has also presented certain difficulties and the majority of companies have not been able to commit themselves until they know how the Insurance law will operate.

Clarification of the main problem has been sought and it is hoped that a basis will be found to enable the insurance business, which is, it must be remembered, international by nature, to be conducted along lines which have evolved throughout the rest of the world.

14. New Commercial Treaty.—The draft of the new Commercial Treaty has it is understood been under consideration for some time but I am not able to give you any information regarding its contents. It is to be presumed, however, that it will provide British merchants with some assurance that reciprocity will be accorded to them, that their legitimate activities in China will be protected, and that it will give them confidence to go ahead with the expansion of their businesses in our participation in the rehabilitation of this great country.

15. Mission to China.—It has been reported that a Trade Mission to China is being sent to China by H.M. Government. We will, of course, give any help to this mission which they may require and will be happy to hear from them news of trade recovery in the U.K. It is to be hoped most sincerely that the mission will bring great benefit to both China and our own country.

It is doubtful, of course, if the Mission will be able to visit Manchuria which remains practically closed to us as it has been ever since the Japanese overran these vast provinces. We hope that one day we may again participate in trade passing through Dairen and other Northern ports, Formosa, however, which is now firmly incorporated in China should, I suggest, offer a fruitful field of the mission's enquiry. We look forward to being able to do business there in the future, but at present conditions do not encourage merchants to branch out in that direction.

16. The Anglo-Chinese Chamber of Commerce has recently been founded in London to promote Sino-British trade. We welcome this newcomer into the International sphere.

17. American Chamber of Commerce. We have kept in touch all the way along with our friends from the United States, the American Chamber of Commerce, and such matters as have equally affected the American and British trader, that is to say, taxation, registration and so on, have been discussed with the Americans with a view to both American and British traders acting along parallel lines. I would like to place on record that in such matters we have always received the fullest co-operation possible from the American and other Chambers of Commerce for which the Chamber wishes to express its appreciation.

From abroad we have heard apprehension expressed that the U.S.A. would swamp China's trade, to our exclusion. The Chamber has always maintained that there is more than enough room for all comers and not only has this proved correct but also there is little evidence that any one country will monopolise China's foreign trade.

18. Land.—The registration of British owned land in China has had the constant attention of the Committee. Negotiations as to procedure in Shanghai have made satisfactory progress though it is understood that a final point concerning fees for transfer of land held beneficially has been referred for Diplomatic settlement. The Chamber's view is that, following Article IV of the 1943 Treaty, no fees are payable. The Treaty, which is not distinguished for its clarity, does not adequately cover all aspects of land ownership, more particularly with regard to land held by a Deed of Trust. It is understood that Chinese authorities in some outposts are now pressing for registration and this question has been referred to our Consular representatives in the hope that a uniform policy embracing both Shanghai and other cities may be agreed with the Chinese Government.

Rents are now permitted to be calculated on an increased ratio to those prevailing pre-war, but in view of the extremely high costs of maintenance, property owners have petitioned that they

Trade Agreement between Canada & China

A Canadian Trade Commissioner in Hongkong

The Canadian government has re-established its Office of Trade Commissioner in Hongkong which started operation on September 2, 1946. The Office is headed by Mr. Charles R. Galloway, and is located at Room 114, Hongkong & Shanghai Bank Building. The local office will have to take care of Canadian export and import interests for the following provinces of China and Far Eastern countries:

Fukien, Kwangtung, Kwangsi, Kweichow and Yunnan.

French Indochina, the Philippine Republic.

Canada has emerged from the war as one of the leading trading countries of the world and has become thoroughly foreign trade conscious. While in pre-war days Canadian foreign trade emphasised exports and neglected imports the outlook in Ottawa underwent a change during recent years and there is now just as much stress laid on expansion of Canadian industrial and other exports as is done with regard to increasing foreign imports into Canada. With this view in mind all Canadian Trade Commissioners abroad are endeavouring to expand a two way trade.

be allowed further to increase rentals to meet their expenses, but as yet no permission to do so has been granted by the authorities. Rents are still low compared with other living expenses and it seems only right that property owners, whose employees have to be paid on the same basis as other companies, should be given the opportunity of covering their expenses. Unless they are permitted a fair return, there is no encouragement to undertake new building necessary to relieve the present acute shortage.

The housing shortage with which Shanghai is now faced has brought in its train the age old problem of "key" money which, however, has now reached unprecedented proportions. Key money alone to-day in Shanghai for a small house is roughly equivalent to the purchase price of the building and furniture of a similar dwelling in England.

19. H.M. Ambassador.—In July we said goodbye to Sir Horace Seymour and this month we shall welcome here Sir Ralph Stevenson. May we wish the former a well earned leave at home and the latter every success in his new mission.

20. Political Situation.—Your Chamber is a non-political body and I will therefore have nothing to say on the complicated situation which now engulfs war torn China, but you will all wish me to add an expression of sympathy with the people of China and hope that wise counsel will prevail and Peace be firmly established in a United China.

Hongkong will form an important trading centre for Canada although for the near future no substantial increase in exports from Canada to Hongkong and China or imports by China from Canada can be hoped for. Those urgently required supplies which Canada under normal conditions could deliver in very large quantities like building materials, timber, paper and paper articles, foodstuffs, are under control for priority allotment and Canada has not earmarked any sizeable quantities for the Far East. However, sundry goods can be supplied in satisfactory amounts. For example: mouth organs (previously an important export article of Germany), fine and costume jewellery, etc. China, on the other hand, has also at the moment hardly sufficient amounts of the required goods and produce which Canada would like to buy. Trade figures for the first nine months of this year, and detailed statistics for September trade with Canada will be found under "Hongkong's Trade" elsewhere in this issue.

Assistance to China

Canada has been extremely helpful to China during and after the war. Financial assistance was very generous and shipments of industrial supplies, foodstuffs and transfer of Canadian merchant ships to China have been second only to the U.S.

Under Canadian Export Credits Legislation a loan of \$60 million was granted early this year, and the most outstanding transfer of Canadian merchant ships was concluded with the Lee Sang Industrial Co. of Shanghai, China's second largest shipping enterprise (next to government-owned China Merchants Steam Navigation Co.). A veritable ocean going fleet was involved in this transaction.

Canada concluded recently an interim Commercial agreement otherwise described in Ottawa as "commercial modus vivendi". This agreement came as a complete surprise to the world as one was led to believe that the first trade agreement with postwar China and a foreign power, will be negotiated first with U.S., and then, fashioned according to this model of a commercial treaty, other nations will conclude similar agreements. However Canada, it seems, stole a march on U.S.

Sino-Canadian Trade Agreement

The official explanation from Ottawa, by no means excelling in lucidity, had that much to say:

A commercial modus vivendi between Canada and China was completed on September 26th in Nanking by an exchange of notes between the Chinese Government and the Canadian Ambassador to China.

The modus vivendi provides for the reciprocal exchange of unconditional most-favoured-nation treatment. This means that the products of each country on importation into the other country will not be subject to customs duties or charges greater than those which apply to any third country. Similarly, any concessions which either Canada or China may grant in the future to a third country will be automatically extended to the other. Thus imports into Canada from China will be subject to the intermediate tariff and lower rates rather than the general tariff as heretofore. The tariff treatment which Canada affords to British countries is specifically excepted from the operation of the modus vivendi so that the British preferential system is not affected by it.

Interdependence of the World and Economic Co-operation Britain and China

Speeches by MR. TSUYEE PEI AND MR. LI MING

The British Trade Mission to China, arriving in Shanghai beginning of October and expected to conclude its tour early in December, has been feted in Nanking and Shanghai. At a luncheon given by the leading bankers of China to the nine members of the British Trade Mission there were held two important and significant speeches by the two most prominent bankers of China, Mr. Tsuyee Pei, Governor of the Central Bank of China, and Mr. Li Ming, managing director of the Chekiang Industrial Bank. Both bankers do not need any introduction to the world public; their names and their careers, their many influential positions in government service in the past or present, their sponsorship of a large number of public organisations and commercial enterprises, in short their prominence in administration of State and private organisations; and, last but not least, their important and learned contributions to the science of economics, are by now familiar with the international financial, commercial and industrial world.

The speech by Mr. Tsuyee Pei emphasised the "cordial association between British and Chinese traders over the past hundred odd years" and the British Trade Mission was eulogised as "personification of the spirit of reciprocity and cooperation". His speech in fact is a review of China's pressing problems which are bound up with the land, river and ocean communication bottleneck, the low degree of production and the obnoxious amount of trade restrictions.

The following is the text of the speech:

In support of Dr. Kung's greetings to the Mission, I extend a most hearty welcome to Sir Leslie Boyce and members of the British Trade Mission to China. You have come to us at a time when both our countries are working and planning, along with the rest of the world, toward the return of prosperity. Having weathered the ravages of war together, we are all laboring toward winning the peace; and your Mission personifies the spirit of reciprocity and cooperation so essential to the revival of international trade.

We feel particularly honored and encouraged by the caliber of the members of your Mission and the widespread interests that you represent. It shows the importance attached to your trip by your Government and people. It also

The new arrangement is the first commercial agreement concluded between Canada and China by direct negotiation. It will continue in force for a definite period of one year. Following the one year period, it will continue in force until terminated by either country on three months' notice.

It is expected that more formal and comprehensive negotiations may be entered into in conjunction with the international conference on trade and employment to be held next year.

reveals the broad scope of the problems that have to be discussed and explored in connection with Sino-British trade.

China's Transport Bottleneck

It is significant that the leader of your Mission, Sir Leslie Boyce, is Chairman of the Gloucester Carriage and Wagon Company and is thus an authority in transportation matters. We all know that one of the greatest bottlenecks in the development of Chinese trade and a most serious obstacle in the rehabilitation of our economy is the lack of internal communications. We need more railways and railway equipment, more highways and airways, more transportation vehicles of every sort. At present the cost of inland transportation is so high as to seriously obstruct the outward flow of native produce and the inward distribution of imported goods. Determined efforts are being made by our Government to rebuild our war-torn transportation system and I believe that your discussions here would have occasion to touch upon this subject.

We are also glad to greet so many other friends in your Mission, each an expert in his line. I understand that when our National Resources Commission Delegation visited Britain last year it was Mr. D. Maxwell Buist, the Export Director of the British Electrical and Allied Manufacturers' Association and your expert in electrical engineering, who made their stay unusually pleasant and interesting. Together with Mr. H. D. Morgan you represent the general engineering side of your Mission, which is very important indeed in view of the urgent need for engineering of all types in our reconstruction and rehabilitation.

Import Requirements

You have also sent us representatives of your steel and metal industries in the persons of Mr. A. H. Carmichael, Director of the Brass and Copper Tube Association, and Mr. E. K. Scott of Dorman Long and Co. From a long-range point of view, the heavy industries form the backbone of modern economy and we have much to learn from the more industrialized countries like Great Britain. We need, and shall continue to need for some time to come, machines and machine tools of every kind. In this and other matters, your discussions here will pave the way for long-term policies accruing to our mutual benefit.

On a subject that touches everyone of us, there will be many problems to explore with your food expert, Mr. F. A. Bristow of the Ministry of Food. Although we have had a good crop recently, we experienced a very urgent period earlier this year and in general imports of rice are still necessary due to the lack of quick and cheap transportation and distribution. We look to your support, as well as that of other friendly nations, in participating in the overall food allocations of the world.

The importance of the general export-importing phase of your Mission is self-evident and you are well represented in Mr. Roger Heyworth of Lever

Brothers, Ltd. We are also glad to see Mr. F. S. Winterbottom, from one of your prominent textile firms. Textiles occupy a very significant position in our economy and we will certainly have much to discuss on such matters. As China's cotton production at present is insufficient for our domestic consumption, we will have to learn many things about more scientific methods of cultivation and improvement in technique. There is also a manifest need for textile machinery and equipment in view of the large textile requirements of our population. Mr. E. Thornton of the United Textiles Factories Association will also be able to favor us with many pointers on this matter.

Anglo-Chinese Cooperation

As we are gathered in this congenial atmosphere it is fitting that we remember the long and cordial association between British and Chinese traders over the past hundred odd years. Your ships were among the first to unload their cargoes on our shores and to bring back Chinese products to your homeland. We look to you for many commodities, vital to our national economy, including machinery and machinery tools, cotton and woollen piece goods, metals and chemicals. On the other hand, we can supply you with tea, bristles, eggs, wool, raw silk, beans, wood oil and antimony.

In view of such a past, the long-term trade policies of our two countries cannot fail but to coincide in the interest of mutual benefit and reciprocity. In a shrinking world the economic interdependence of friendly nations becomes closer than ever before. No matter what immediate problems we may have, the prospects of Sino-British trade in the future are definitely promising. We will continue to look to you for many things that we need for the reconstruction of our economy. We will strive to improve every condition for the export to you of those raw materials and commodities that you want from us. Trade is a two-way traffic and the trade routes between us should and would be busy indeed in this post-war world.

National Economy & International Trade

Against the pattern of future business we must take cognizance of the problems of the present. Due to the disruptive influence of the war, many nations are carefully nursing their domestic economy and China is no exception. A sound national economy is a prerequisite to healthy international trade, so we are like you in that some of our wartime trade restrictions will have to continue for a temporary period. But we are determined to gradually ease off these restrictions as conditions permit in order that the free flow of trade may be progressively resumed.

There are many contributions in the cause of international trade that can be made by both our countries. For example, the world shortage of ocean shipping continues to slow up the flow of trade and Britain is looked upon to contribute her share in providing adequate shipping facilities, which indeed have been the keynote of her success as a trading nation. On the other hand, the urgent tasks before China are to open up internal communications, to re-establish normal production conditions, and to revitalize our war-torn economy in every way so that we can fully participate in the development of trade with friendly nations like Great Britain.

Britain to Advise China

In this connection, there is another fundamental contribution that we may

work out together. On the basis of your trip through China and your contacts with our people you will be able to ascertain to a large degree the overall industrial and commercial requirements of China. We ourselves have made a number of plans covering these overall requirements but I think that all my friends and countrymen would agree with me that we must have a most concrete, realistic and systematic scheme, timed over a number of years, for the rehabilitation of our economy. We know the long experience that you have had in these matters and we admire the remarkable progress that you have made since the end of the war towards recovery. I hope that you will be able to give us the benefit of your advice on many points in such a concrete plan, which would be instrumental in facilitating the realization of our joint aims towards prosperity and trade.

In closing, I wish to emphasize that we want to strengthen and deepen the mutual confidence and cooperation that characterized our association with you in the past. Your Mission expresses the deep interest of your people in us and their concern in the furtherment of trade between our two countries. You can be assured that this is fully and warmly reciprocated by my countrymen.

Speech by Mr. Li Ming

Mr. Li Ming's speech outlined the problems of his country in a lucid manner. China's industrialisation was explained as to be conditioned upon the rehabilitation and development of agriculture, transportation and trade. Mr. Li Ming described very well the character and purpose of the Chinese business man; he is reasonable and fair-minded and he advocates integrity and fairplay, he stands for private enterprise and just competition. Friendship and cooperation between Britain and China as foundation for lasting and durable relations were again stressed and two-way trade promotion was advocated.

An interesting feature of the two speeches, now rather common with leading Chinese business men and intellectuals, not to mention returned students, was the emphasis laid on "economic interdependence of a shrinking world" and a "Declaration of Interdependence" which the world needs to-day. The spirit of a new era of citizens of the world was clearly revealed not only when listening to the speeches but also sensing the atmosphere of the gathering.

The following is the text of Mr. Li Ming's speech:

Ever since the announcement of the despatch, by the British Government, of a Trade Mission to China under Sir Leslie's leadership, I have been following this momentous event with keen interest. In a century of Sino-British commercial intercourse, I suppose this is the first time that a demonstration, in such a form, of British interest in trade with China has ever been made. It is in this field of trade, where our mutual interest principally lies, that we hope to build up a most lasting and durable foundation for friendship and co-operation between our two nations.

The Chinese business community was informed of Sir Leslie's Mission by His Excellency Sir Ralph Stevenson during a reception given in his honour not long ago. He explained to us the duty and object of the Mission and observed most candidly in this connection that the commercial interests of Great Britain are closely bound up with the interests of China.

From Sir Ralph's explanation as from Sir Leslie's various public utterances, I have had a fairly clear idea of what the Mission aims to do and to accomplish in their visit with us. Sir Leslie sums up the task of his Mission which, he says, is both explanatory and exploratory. I take it to mean that the Mission's principal concern is to explain the British market to the Chinese traders and at the same time to explore the Chinese market for the British traders. In other words, the Mission hopes to pave the way for sale to China as well as purchase from China, and it is therefore concerned with a two-way trade which, I believe, will result in our mutual benefit. I hope that this spirit of reciprocity will govern the future commercial relations between our two countries and lay a solid foundation for a revived Sino-British trade in years to come.

China's Adverse Trade Balance

In speaking of trade, I regret that both your country and mine are having an adverse balance of trade, although China's case is much more serious. Our trade position is not a happy one, and as I have repeatedly said, we are a poor nation, and yet in the field of trade, we are playing a rich man's game. Of course, the symptom of our case is more concerned domestically than externally. While we are making effort to correct our internal factors, we do expect our foreign friends to help us remove whatever external causes there may be. The countries of the world are no longer kept in water-tight compartments; and as an eminent American educator puts it, what the world needs to-day is not so much a Declaration of Independence as a Declaration of Interdependence. This interlocking of interests is particularly marked in the commercial field because business men of all countries are practically in one and the same boat and whatever you may do to help in the solution of our problems, you are helping yourselves. I am glad that the members of the Mission headed by Sir Leslie are all practical and far-sighted men of great experience and I am sure we are able to discuss our problems together in a spirit of mutual understanding and make concrete and practical suggestions for our close economic co-operation. Chinese business men stand, as you do, for the principal of integrity and fairplay and also for private enterprise and just competition. You will therefore find that besides our similarity of interests, we both are reasonable and fair-minded people.

China's three-fold Essential

Before I close, I wish to discuss one more point. At the British Chamber of Commerce's dinner last Friday evening, Sir Leslie spoke of industrialization of China. As Sir Leslie is aware, China is primarily an agricultural country. Even to-day, some 80% of her population still depends upon farming for their maintenance. Talking of post-war reconstruction of China, I often repeat that the plan of our economy should start with the improvement of a three-fold essential, namely, agriculture, transportation and trade. In the mean time, we should also rehabilitate our existing war-torn industries. This, in my humble opinion should constitute our immediate program, and our concern at the moment is therefore to bend ourselves toward accomplishing this initial stage of our post-war rehabilitation work. As soon as our effort has born fruit, industrialization of the country will take care of itself and will come as a sequel to the development.

Soviet Trading with China

Hongkong Office of "Exporhleb"

Although Soviet imports from China are still very small except for one item, viz. wolfram ore for which USSR has been the sole customer (see October 16 issue, page 10), Soviet trade representatives are exploring all channels in order to increase raw material supplies for their industries. The USSR is not interested in exporting industrial or consumer goods to Far Eastern countries outside her immediate sphere of control. Trading with the Soviet Union has been, and will be for a long time to come, a one way business, i.e. Soviet commercial agents will buy in China and later also in Indochina, Malaya and East Indies practically only raw materials needed for industrial production of consumer and defense articles.

The buying agencies established in China, all headquartered in Shanghai, are the USSR Trade Representative's Office and All-Union "Exporhleb". Both purchasing organisations conduct business largely with Chinese government agencies, primarily the Foreign Trade Division of Natural Resources Commission. However, private merchants who happen to possess tungsten or other metals, ores and oils find usually the Soviet buyers rather well paying customers.

"Exporhleb" in Hongkong

While USSR Trade Representative's Office is only established in China "Exporhleb" operates in Hongkong as well although at the moment there is hardly any business to be done. The director of the local office, Mr. P. T. Sizoff, has only arrived here about three months ago and not yet opened suitable premises. Before the war there was, for only about 2 years, an "Exporhleb" office doing some preparatory work. It was located in Holland House. At that time when the Soviet Union was threatened by Nazi Germany the obvious intention of all foreign trade agencies of USSR abroad was to purchase the most essential goods for use of war industries. The Hongkong office however was not yet able to get into strides when the Japanese started with their own war. It was also Mr. Sizoff who directed the local office in 1939 and 1940 while in 1941 and 1942 he managed the Shanghai bureau of "Exporhleb". He is about to leave the Colony and will once again take over the Shanghai office as manager. (Mr. Voynoff, Shanghai manager of "Exporhleb" for the last few years has recently returned to Moscow.) A new man is expected to arrive here soon and establish a proper office of "Exporhleb".

Soviet Shipping

Hongkong could be developed into a purchasing market of USSR not only as regards South China produce but also for supplies from neighbouring Far Eastern countries. Shipping to Vladivostok of locally bought supplies presents a problem since no direct steamers are on the Hongkong-Vladivostok run so that transshipment in Shanghai with all its enormous handling charges must be taken into calculation. There were recently passing through Hongkong harbour several small ocean craft under Soviet flag; they were however only transferred from the Black Sea to the Soviet Far Eastern commercial fleet, and called here for fuelling and some small repairs. As everything Soviet appears to intrigue a large number of local people (as it is also the case elsewhere) the appearance of Soviet ships and Russian sailors started quite many rumours.

Australian Exporters lose "Face"

Many Hongkong importers of Australian woollen piece goods have had good reason for complaint. Practically every cargo received proved to be damaged on account of unexperienced packing in Sydney and other Australian harbours. Materials used for packing are all inferior when compared to U.K. and U.S. standards. Cases were often broken and could otherwise not stand well the voyage to Hongkong. Foodstuffs also suffered while on sea, some even considerably.

The most serious complaint however concerns shortages in lengths of piece goods; regularly measurements given on invoices are at variance with facts, the shortage amounting on the average to 5%. Many pieces were found short by 10 and 15%. Surveyors here were kept busy when Australian piece goods and much other cargo from "down under" arrived. The statements of sworn surveyors are, in some cases, truly shocking, and it is often incomprehensible how the larger shortages can be explained.

Naturally, many importers and their customers are discouraged and very astonished since they trusted in Australian bona fides. From these many incidents resulted certainly some real loss of "face" for Australian exporters, and it will take them a good time to recover confidence and keep in the market once the situation here changes and a buyers' market will come into its own.

The Australian manufacturer would be well advised if he would just follow the British pattern. First, cut the pieces to about 40 yards length and not as is currently done in Sydney supply pieces of from 60—80 yds. Second: have like the English do a paper tape rolled inside the piece so that there cannot result any difference of length between the invoiced amount and the actual figure. Third: do not use tar paper for packing which spoils much of the cargo especially when transports have to cross the Equator; this tar paper packing has smeared beyond repair considerable quantities of piece goods. Wax paper should, of course, be used just as the U.K. exporter always does. Fourth: Colours as per invoice should not differ from the actual colours as is regrettably often the case. Fifth: Pieces are usually unsufficiently labelled which is more irritating than actually causing damage, however, it is significant how different even in this respect are British and Australian goods.

Since the quantities involved are considerable and claims are rather general, some concerted action by importers of Australian woollen piece goods may be taken.

It is not unlikely that sometime next spring, provided that Soviet trade with North and South China can be developed, Soviet ships will extend their range down to Hongkong.

From last January to July the total of Chinese wolfram ore shipments to USSR according to Chinese Customs figures amounted to 1,600 tons (which was also China's total officially recorded sale of this ore) valued at approx. US\$400 per ton, or for the whole lot a CN\$ equivalent of US\$640,000. Other Chinese exports to USSR, although amounting to about $\frac{1}{2}$ million US\$, weighed only a fraction of the wolfram ore lot.

Black Market Hawkers

Necessary Enlightenment

Hongkong Police, continually claiming to be understaffed, has lost the Battle of the Black Market. It might be their indolence or benevolence, the fact remains that the hawkers remain. Police made some efforts to clear streets and squares, lanes and proper fairs but these efforts were never crowned with success, quite possibly so because it never was their ambition to enforce traffic law.

Black market hawking has besides its nuisance value of pestering the public and street blocking also special economic importance. Imports of usually the American fancy and bauble kind which had to be paid for in American money pulled up from the local open market U.S.\$ "pool" are dispensed by these worthies. As a matter of fact most of the hawkers in the Central district specialise in foreign goods. Some peddlers obtain their supply from a certain not quite sympathetic class of newly established import hongs who base their commercial and psychological calculations solely on the innate stupidity of man and, even more so, of woman. A survey of the knick-knacks and gimcracks—in plastics that's the dernier cri—will bear out the truth of the above if any proof be needed at all.

To Aid and to Abet

But not only act Hongkong's peddlers as prophets and propagandists of the "Plastic Age" which has been dumped on us, they also are an indispensable link in what is so tactfully described as pilferage. The extent of individual and organised thieving is not so petty as the word "pilfer" suggests but often approaching what can be correctly termed spoiling and looting.

The "pilferage" gangs eventually have to operate through salesmen so that "their" goods can be disposed of with a "profit." Most but by no means all shopkeepers refrain from buying "under market price" from the wholesale brokers of the "pilferers." The street hawker however is the ideal "missing link" and it is thanks to his humble existence that we always can buy in the street markets cheaper than elsewhere, and that imported goods in many instances first are displayed by the hawkers even before the importer has seen or surveyed his own goods. That looks like efficiency, and "Service to the public" even at the expense of importers and insurance firms.

The hawkers usually do not make large profits, it is only the "first hand" who buys not with capital but with "skill" who reaps practically all the "profit." The street sellers are not so innocent as not to comprehend what happens, where the "cargo" emerges from, and—from whom it comes (sic!).

A Guide to "Cheap Sales"

It is common knowledge that several areas in town are monopolised by this gentry. They spill over time and again right into the two main thoroughfares, however, one or two Police "campaigns" restore the previous balance.

For Central district shoppers the most convenient hawkers' "show baskets" are found around China Building and in practically all the lanes connecting Des Vaux Road with Queen's Road. In two Lee Yuen Streets, East and West, a comprehensive view can be obtained of recent arrivals from America.

If one proceeds into the Chinese City there await an unsuspecting customer real delights and bargains. Bonham Strand, with all its surrounding lanes, particularly Man Wa Lane, present a colourful spectacle and it is only annoying to have to squeeze oneself through the milling crowds of buyers, day and night.

And à propos squeeze: There are some utterly fantastic stories laughed about town intimating that somebody pays somebody regularly or periodically something. Which procedure keeps by some mystic operation of the causal nexus the whole thing going strong.

For those who do not mind to walk for a mile or two through a street market where often real treasures at half and less the shop's price can be found, Shanghai (sic!) Street in Yaumati is recommended.

Again an à propos; Shanghai! In this fabulous city the street markets were and are, of course, the rage. And "pilferage" there is, by force of the law of cause and effect unrivalled; they have elevated measly thieving to a professional career and a very thoroughly "applied" science.

Congratulations from Canton

Recently some Canton newspaper eulogised Hongkong's authorities for "having cleared up the hawkers." It is rather odd to hear of all the places from Canton such tribute, and it becomes even odder if such praise pours forth in connection with our black market street fairs. Somebody up the Pearl River was either talking through his hat or dared to pull our solemn leg.

Canton has its own rows upon rows of these "traffic offenders"; they occupy every inch, for miles, on the Bund, Tai Ping Lu and it the larger streets of the City. There one can marvel about the variety of goods prohibited for export by Hongkong government, and be impressed by the quantities offered.

The Exception

Only Macao makes an exception. Not that Hongkong prohibited goods are not displayed and sold; all the shops in the Avenida go in for that.

There is no street hawker problem because there are no such itinerant merchants in the Portuguese Colony. This shall by no means be construed as a reflection on the business like efficiency of Police constables there. It is probably due to the comparative smallness of the Colony and the limited purchasing power of the public which could not support the hawkers.

Or is it that Hongkong has such attractive qualities that the hawkers of Macao, like so many of its youths who populate in increasing numbers Stanley and Kowloon, all congregate here in what they are led to believe is a "Paradise of Hawkers"?

Stock & Share Business The Real Estate Markets

The share market has become increasingly active what with the large influx of money from Shanghai and Canton had to be expected. Government tax on property sales profits will also divert would-be property speculators and investors into the share market. Business has in fact assumed such large proportions that local brokers have their hands full and anxiously wait for the return of the recuperating or otherwise still marooned brokers.

The Moratorium imposed by the Government is having increasingly less effect on share business and those interested to sell or buy shares are practically ignoring the Ordinance. It seems really absurd for the government to expect two willing persons who wish to exchange shares to obtain first of all government permission to do so. Some of the more conscientious still comply religiously with these business stifling regulations, however, the majority has become quite impatient with the unreasonable government delay. One hears among the public interested in share business some very spicy comment.

The sooner Government realises that revenue is going by the board the better.

Those companies whose share registers are not in order must also bear their good portion of the blame in the government delay in removing these restrictions. Should Government do away with present restrictions arising from the Moratorium things would right themselves much quicker.

There has been a general around rise in shares and although the market closed a little quiet there are no signs of any reaction. It is well known here that most companies are on a dividend paying basis and with the glut of money it is not surprising that prospective good dividend paying shares continue to be in strong demand.

Prices of shares will be found in the Statistical Section from which will be seen that all insurance companies are moving up with determination, that Union Waterboats price doubled within a month, and that H.K. Hotels, H.K. Lands, Dairy Farm, Watson, Lane Crawford and China Entertainment, the favourites of the public, are steady in their advance.

The responsibility of keeping the Stock Exchange closed seems to belong to the law office.

EXPORT CONTROL & LICENCES

Exporters in Hongkong have to file export declarations with Imports & Exports Department for all commodities. In case of an export licence to be required the Department of Supplies, Trade & Industry will receive applications. The following commodities and foodstuffs are prohibited from export:

FOODSTUFFS: Beans, government biscuits, bread, butter, cheese, coconut oil, flour, lard, canned meat, condensed milk, noodles, peanut oil, rice, salt, sugar, oranges and apples.

COTTON YARNS, PIECE GOODS of all kinds, **TIMBER, RUBBER** (pale crepe, smoked sheets), **REFRIGERATORS, MOTOR ACCESSORIES, SHEET GLASS, BOTTLES, PRINTING MATERIALS, MOTOR VEHICLES, TIN PLATES.**

Exceptions will be made for certain proportions of newsprint, potassium chlorate, glass (not heavier than 18 oz.), coconut oil, piece goods other than cotton which were released from godowns in accordance with the Piece Goods (Control) Order. For these goods licences will be issued by Department S.T. & I.

Prices at the present moment continue to rule from two to three times higher than in 1941, depending on age of building, state of repairs; and especially the vacant possession of the ground floor. Unless ground floor can be possessed by the buyers there appear to be very few people interested to consider purchases at current market rates as returns are by far too small.

The largest properties which changed hands during this year were:

Exchange Building at \$2,325,000 (the purchase agreement was made before the outbreak of the Japanese war, and completed in 1946, Buyer: Mr. Nemaze). Asia Life Building at \$3,300,000 (a new building owned by C. V. Starr interests, bought by Chinese real estate firm).

Union Building at \$3,200,000 (one of the oldest business houses in Hongkong, bought by H.K. Land Investment).

The question of "Key Money" continues to be discussed in town and the apparent passivity displayed by government in dealing with it has aroused much often cynical comment. Both sub and principal tenants are being charged very considerable sums and in most cases no complaint is being raised. One well known Public Company only recently let a portion of its spacious premises to a Chinese bank for a high sum and in addition receives a very large increase in rent which enables the Public Company to pay a high dividend. Another Chinese bank obtained premises for big "key money" from a restaurant situated in the business centre of Hongkong. These are, of course, only two outstanding cases involving large amounts. Government ought to seek more information particularly when a Public Company is involved whose directors are incidentally J. P.'s. Can the ordinary householder be blamed for taking "key money" when the big companies do it without any questions being asked? Key money and increased rent ought to be investigated with a view to increase government revenue.

Landlords or principal tenants charging or accepting double the 1941 rent, as well as the tenant who pays the increase and is therefore equally guilty, should be exposed and fined. Shopkeepers who sell goods above the government controlled price are usually fined hundreds and often thousands of dollars.

Rent Adjustments

Most leases in the Central district are on a short term agreement and based on the 1941 rent. This is obviously not fair to the Land companies and ought to be rectified. The public, in this case business firms, would not mind an increase of about 50% which would help the land companies to offset maintenance costs which are very heavy. All companies are doing good business and, we understand from many firms, would willingly agree to a rent increase of 50%.

CANNED & POWDERED MILK

(not included skim milk & skim milk powder export & import of which are free) After January 1, 1947, provided that no shipping shortages will prevent the up-building of reserves, milk business will become decontrolled.

Import licences are given only to prewar traders on a basis of 70% of imports to be allotted for use of the Colony, and 30% free for re-export.

As far as American imports are concerned which have been effected through official exchange allotment, re-exports must be cleared with the Exchange Control (Financial Secretary).

Full Success of British Exports

Only a few days ago, Sir Leslie Boyce, heading the British Trade Mission to China, explained to Nanking newspapers that Britain must export at least 30% more than she did before the war. However, Britain will treble this minimum requirement. By doing so British export goods will have secured markets for the future as well. Britain will keep her customers in the days when the "sellers market" will have turned into a "buyers market". The various British trade and traders' slogans (like "Britain delivers the goods", "Britain can make it", "Buy British, it's best") have become truisms as has been proved by facts. If there were not so many figures to support words one would almost think that this is all trade boosting for Britain.

Britain's export drive in 1946 has developed into a success probably not even anticipated by the most sanguine observers. For the first six months in 1938 U.K. exports totalled £235 millions while for the same period of this year £403 millions were recorded, an amazing result considering the difficulties of production and shipping which exist to-day.

The export increase for the first half 1946 over 1938 amounts to about 70%. It can therefore be expected that, seeing increases from month to month, by the end of the year U.K. exports will almost be double of what they were in the last pre-war year of 1938. £750 million worth of exports for 1946 are, in the light of the statistics which will be found below, by no means unlikely. The consequences of this enormous export program success will be far-reaching.

Necessity of Export Drive

Everybody is familiar with the reasons for the necessity of Britain's export expansion. From a creditor nation U.K. has turned a debtor country owing the Dominions and her Empire about £2,700 millions and other nations about £180 (on which subject more will be said in our issue of October 30). The British people understood the changed conditions of their country and, although with some grumbling and traditional Hyde Park harangues, settled down to toil for export goods while foregoing very many of the pleasures of life. By hard work they are now going to make up for lost ground during the war years. Further increases of exports (July exports are already 10% over the June figure, and 60% more than in July 1938) will ease austerity conditions in Britain and will permit of larger imports into U.K. In case of exports topping 75% over 1938 import restrictions will gradually be relieved.

| Articles | IMPORTS | | | EXPORTS | | |
|--|--------------------|---------------------------|---------------------------|-------------------|---------------------------|---------------------------|
| | June 1946 £ | First half year 1938 £ | First half year 1946 £ | June 1946 £ | First half year 1938 £ | First half year 1946 £ |
| FOOD, DRINK AND TOBACCO— | | | | | | |
| A. Grain and flour | 7,129,162 | 37,209,169 | 46,014,079 | 495,194 | 835,154 | 2,858,502 |
| B. Feeding-stuffs for animals | 254,225 | 5,709,625 | 522,965 | 31,803 | 349,287 | 221,979 |
| C. Animals, living, for food | 593,505 | 4,610,209 | 4,583,939 | — | 4,268 | 162 |
| D. Meat | 15,044,542 | 45,339,930 | 70,596,518 | 55,872 | 616,949 | 455,242 |
| E. Dairy produce | 9,505,014 | 40,006,988 | 56,254,050 | 91,670 | 556,165 | 701,052 |
| F. Fresh fruit and vegetables | 1,969,514 | 18,828,778 | 13,130,179 | 442,462 | 197,015 | 2,744,150 |
| G. Beverages and cocoa preparations | 3,024,071 | 23,256,286 | 26,251,934 | 1,118,442 | 6,911,931 | 8,632,797 |
| H. Other food | 8,827,094 | 28,455,047 | 53,893,748 | 595,786 | 6,018,426 | 6,099,934 |
| I. Tobacco | 6,565,154 | 11,642,317 | 30,436,239 | 1,235,372 | 2,457,452 | 9,046,633 |
| | 52,912,281 | 215,058,349 | 300,685,671 | 4,066,601 | 17,946,627 | 30,760,451 |
| RAW MATERIALS & ARTICLES MAINLY UNMANUFACTURED— | | | | | | |
| A. Coal | 380 | 7,370 | 4,632 | 716,055 | 18,703,153 | 4,872,779 |
| B. Other non-metalliferous mining and quarry products and the like | 2,959,481 | 2,372,186 | 8,504,221 | 85,498 | 528,818 | 651,372 |
| C. Iron ore and scrap | 1,703,115 | 5,576,064 | 9,810,406 | 2,597 | 297,445 | 9,431 |
| D. Non-ferrous metalliferous ores and scrap | 1,205,413 | 8,167,960 | 9,168,302 | 35,057 | 1,149,057 | 114,926 |
| E. Wood and timber | 3,118,648 | 21,426,174 | 18,106,895 | 20,882 | 35,633 | 225,763 |
| F. Raw cotton and cotton waste | 3,900,224 | 14,789,814 | 21,629,765 | 70,019 | 229,439 | 394,669 |
| G. Wool, raw and waste, and woollen rags | 2,209,715 | 21,309,027 | 21,145,928 | 427,306 | 3,131,421 | 3,040,498 |
| H. Silk, raw and waste, and artificial silk waste | 14,596 | 1,031,082 | 1,068,358 | 114,190 | 330,707 | 833,374 |
| I. Other textile materials | 1,263,979 | 5,887,721 | 7,197,676 | 94,872 | 134,418 | 165,604 |
| J. Seeds and nuts for oil, oils, fats, resins and gums | 3,995,620 | 15,297,938 | 31,624,255 | 158,874 | 1,446,920 | 1,189,037 |
| K. Hides and skins, undressed | 1,579,574 | 9,116,556 | 13,321,931 | 109,544 | 554,063 | 1,511,067 |
| L. Paper-making materials | 1,983,227 | 8,021,384 | 8,353,087 | 44,242 | 588,828 | 221,552 |
| M. Rubber | 2,017,056 | 5,751,646 | 15,087,266 | 42,655 | 113,628 | 351,154 |
| N. Miscellaneous raw materials and articles mainly unmanufactured | 1,786,059 | 5,274,521 | 9,957,952 | 162,238 | 1,216,773 | 2,829,863 |
| | 27,737,087 | 124,029,443 | 174,980,674 | 2,084,029 | 28,460,301 | 16,411,089 |
| ARTICLES WHOLLY OR MAINLY MANUFACTURED— | | | | | | |
| A. Coke and manufactured fuel | 8 | 4,149 | 8 | 105,850 | 1,645,861 | 513,669 |
| B. Pottery, glass, abrasives, etc. | 105,616 | 3,670,574 | 516,402 | 2,040,942 | 4,805,054 | 12,742,531 |
| C. Iron and steel and manufactures thereof | 873,496 | 7,408,023 | 3,972,034 | 6,845,027 | 20,846,009 | 39,969,728 |
| D. Non-ferrous metals and manufactures thereof | 3,328,069 | 20,408,595 | 12,102,725 | 3,460,077 | 6,169,548 | 18,164,240 |
| E. Cutlery, hardware, implements and instruments | 285,815 | 3,530,848 | 1,465,077 | 1,742,913 | 4,513,843 | 11,336,756 |
| F. Electrical goods and apparatus | 452,082 | 1,553,402 | 1,778,979 | 2,654,586 | 6,715,202 | 16,151,895 |
| G. Machinery | 1,000,964 | 10,919,264 | 6,315,634 | 7,651,153 | 28,933,782 | 46,472,412 |
| H. Manufactures of wood and timber | 839,091 | 3,143,387 | 5,503,064 | 108,955 | 582,278 | 698,536 |
| I. Cotton yarns and manufactures | 47,868 | 1,567,632 | 327,020 | 4,084,880 | 24,840,357 | 30,117,108 |
| J. Woollen and worsted yarns and manufactures | 102,019 | 1,919,055 | 600,552 | 3,096,628 | 13,406,809 | 20,556,171 |
| K. Silk and artificial silk yarns and manufactures | 33,689 | 2,473,074 | 368,248 | 2,250,161 | 2,751,080 | 13,051,980 |
| L. Manufactures of other textile materials | 683,248 | 2,302,999 | 5,152,970 | 1,744,539 | 5,328,683 | 9,308,360 |
| M. Apparel | 106,475 | 4,013,928 | 719,215 | 2,495,516 | 4,257,632 | 10,362,370 |
| N. Footwear | 81,307 | 1,397,173 | 444,243 | 466,853 | 981,298 | 1,467,624 |
| O. Chemicals, drugs, dyes and colours | 1,405,428 | 6,806,347 | 8,725,230 | 4,539,576 | 11,139,895 | 31,695,027 |
| P. Oils, fats and resins, manufactured | 7,038,874 | 22,035,242 | 41,988,717 | 417,960 | 2,682,748 | 2,821,379 |
| Q. Leather and manufactures thereof | 619,248 | 3,220,146 | 3,893,404 | 431,913 | 1,971,551 | 2,416,196 |
| R. Paper, cardboard, etc. | 787,962 | 7,420,998 | 4,997,404 | 1,052,280 | 3,465,167 | 6,030,509 |
| S. Vehicles (including locomotives, ships and aircraft) | 415,593 | 2,266,320 | 1,502,561 | 7,385,998 | 22,245,524 | 42,620,785 |
| T. Rubber manufactures | 1,074 | 340,580 | 8,693 | 374,903 | 824,763 | 1,998,068 |
| U. Miscellaneous articles wholly or mainly manufactured | 1,361,101 | 10,436,021 | 6,714,903 | 3,891,131 | 14,515,240 | 23,474,383 |
| | 19,569,047 | 116,837,757 | 107,097,083 | 16,771,841 | 182,622,314 | 341,969,727 |
| ANIMALS, NOT FOR FOOD | | | | | | |
| | 565,073 | 1,659,229 | 2,773,503 | 317,690 | 339,682 | 1,621,396 |
| PARCEL POST | | | | | | |
| | 1,674,652 | 2,169,689 | 12,122,191 | 1,743,384 | 6,008,736 | 12,652,391 |
| TOTAL | 102,458,140 | 459,754,467 | 597,659,122 | 64,983,545 | 235,377,660 | 403,415,054 |

Export industries employ more than 1,250,000 workers (30% more than 1938), the number of people in banking, insurance, shipping, etc. who indirectly benefit from Britain's export drive can hardly be estimated. Government planning and control is mainly responsible for the success; here was applied science with energy and resolution which, on the other hand, was predicated upon the high standard of education of the British people and their characteristic qualities of doggedness and skill.

Markets and Goods

Markets for U.K. products have somewhat changed with Germany, her pre-war best customer but also worst competitor, apparently gone for good. From the following tabulation will be seen direction of U.K. trade for the first three months of 1946:

| Country | Value of exports £19.4 millions |
|---------------------|------------------------------------|
| South Africa | 15.8 " |
| British India | 12.3 " |
| Australia | 8.6 " |
| France | 7.3 " |
| United States | 6.4 " |
| Canada | 6.0 " |
| Belgium | 5.9 " |
| Denmark | 5.7 " |
| Egypt | 4.0 " |
| Argentina | 2.9 " |
| Palestine | 2.1 " |
| Brazil | |

Among these 12 leading countries, six belong to the Empire and France is treated in matters of exchange similar to a sterling area country. More than half of U.K. exports are consumed by her Empire.

Before the war about 15% of British production was earmarked for exports while this year the average is about 50% (i.e. exports take 50% of motor cars, machine tools, cameras, 60% of motorcycles and bicycles, 65% of gasoline engines, 33% of trucks, 75% of sewing machines, 100% of pianos and fancy laces).

The ten export leaders for the period January to June 1946 were:

| Goods | Amount in millions | Approx. % |
|---|-----------------------|-----------|
| Machinery | £46.4 | 11½ |
| Vehicles (ships, aircraft, etc.) | 42.6 | 10½ |
| Manufactures of Iron and steel | 39.9 | 10 |
| Chemicals, drugs, dyes | 31.6 | 7½ |
| Cotton yarn & piece goods | 30.1 | 7½ |
| Miscellaneous manufactured articles .. | 23.4 | 5½ |
| Woollen, worsted yarn & pc. goods | 20.5 | 5 |
| Non-ferrous metals & manufactures | 18.1 | 4½ |
| Electrical goods | 16.1 | 4 |
| Silk & rayon yarn and piece goods | 13.0 | 3½ |
| Total | £281.7 or almost 70% | |

On Page 9 are U.K. imports and exports for the month of June 1946 to compare with monthly averages in 1938 for exports £39,229,607, for imports £76,625,744 and imports and exports for the first half of 1938 and 1946.

THE PURCHASING POWER OF THE HONGKONG DOLLAR

Wholesale Price Index in Hongkong

Judging from the statistics published below to-day's cost of living in the Colony against the years 1938 and 1941 appears to be higher by six and four times respectively. In other words HK\$1 buys now (or to be more accurate: bought in September) what about 17 cents bought in the good old days of 1938. And to-day's H.K. dollar buys what in 1941 just 25 cents bought.

The index of wholesale prices is illuminating in many respects. In the unambiguous and unemotional language of figures it reveals the uncertainties of business, shortages and profiteering, and then again relaxation and a promise of an easier future. It serves no useful purpose to dwell pessimistically on the depreciated purchasing power of the local dollar. There are distinct signs of improvement and, while its tempo may seem to be discouragingly slow, there is nevertheless a steady and determined movement towards lower price levels.

GENERAL AVERAGES

| Groups | 1938 | 1st year 1941 | 1st year 1946 | July 1946 | Aug. 1946 | Sept. 1946 | 3rd Qtr. 1946 |
|-------------------------|------|---------------------|---------------------|--------------|--------------|---------------|------------------|
| Foodstuffs | 100 | 155.4 | 768.6 | 690.3 | 707.3 | 684.7 | 694.1 |
| Textiles | 100 | 138.3 | 818.8 | 938.1 | 962.6 | 556.7 | 819.1 |
| Metals & Minerals | 100 | 160.2 | 308.2 | 286.1 | 234.5 | 283.8 | 288.1 |
| Miscellaneous | 100 | 162.9 | 718.9 | 533.1 | 478.6 | 446.7 | 486.1 |

INDIVIDUAL AVERAGES

| Foodstuffs | 1938 | 1st year 1941 | 1st year 1946 | July 1946 | Aug. 1946 | Sept. 1946 | 3rd Qtr. 1946 |
|---------------------------------------|------|---------------------|---------------------|--------------|--------------|---------------|------------------|
| Beans | 100 | 168.8 | 1,056.9 | 969.2 | 969.5 | 837.3 | 925.3 |
| Beef | 100 | 128.1 | 562.5 | 562.5 | 562.5 | 562.5 | 562.5 |
| Eggs | 100 | 110.0 | 974.4 | 720.4 | 911.2 | 934.0 | 855.2 |
| Flour (wheat) | 100 | 160.5 | 413.9 | 373.1 | 409.3 | 370.0 | 384.1 |
| Saltfish | 100 | 140.0 | 340.7 | 264.9 | 426.9 | 219.9 | 303.9 |
| Fruits (fresh) | 100 | 192.6 | 554.2 | 502.2 | 635.2 | 643.8 | 593.7 |
| Lard | 100 | 162.7 | 802.7 | 550.0 | 582.5 | 561.0 | 564.5 |
| Milk (condensed) | 100 | 166.9 | 201.3 | 209.5 | 177.3 | 168.0 | 184.9 |
| Mutton | 100 | 129.3 | 268.3 | 268.3 | 268.3 | 268.3 | 268.3 |
| Onions | 100 | 132.8 | 278.6 | 696.9 | 619.0 | 693.2 | 669.7 |
| Peanut Oil | 100 | 145.2 | 1,043.6 | 967.8 | 992.7 | 826.5 | 929.0 |
| Pork | 100 | 150.0 | 500.0 | 500.0 | 500.0 | 500.0 | 500.0 |
| Potatoes | 100 | 163.7 | 642.2 | 867.9 | 352.9 | 677.9 | 632.9 |
| Poultry | 100 | 208.3 | 751.2 | 789.3 | 832.1 | 591.7 | 737.7 |
| Rice (broken) | 100 | 197.0 | Nil | Nil | 541.3 | Nil | 541.3 |
| Rice (white) | 100 | 173.4 | 889.5 | 1,086.6 | 1,093.4 | 923.2 | 1,034.4 |
| Sugar (raw) | 100 | 128.9 | 1,582.6 | 1,086.4 | 1,530.8 | 1,497.5 | 1,364.9 |
| Vegetables (dried, etc.) .. | 100 | 146.3 | 621.6 | 731.7 | 683.0 | 842.7 | 752.5 |
| Vermicelli | 100 | 150.0 | 1,750.0 | 1,299.5 | 1,350.6 | 1,206.5 | 1,285.5 |
| Average | 100 | 155.4 | 768.6 | 690.3 | 707.3 | 684.7 | 694.1 |
| Textiles | 1938 | 1st year 1941 | 1st year 1946 | July 1946 | Aug. 1946 | Sept. 1946 | 3rd Qtr. 1946 |
| Cotton Yarn | 100 | 113.8 | 1,524.6 | 1,278.5 | 1,081.5 | 1,249.2 | 1,203.1 |
| Cotton (dyed, plain) | 100 | 131.8 | 1,550.0 | 2,427.3 | 1,336.4 | 995.5 | 1,586.4 |
| Italians (dyed, figures, plian) | 100 | 119.4 | 688.9 | Nil | 1,994.4 | 555.6 | 1,275.0 |
| Shirtings, White (40/43 yds) .. | 100 | 104.6 | 2,507.1 | Nil | Nil | 381.3 | 381.3 |
| Hemp (Manila) | 100 | 127.8 | Nil | Nil | Nil | Nil | Nil |
| Gunny Bags | 100 | 214.3 | 489.3 | 446.4 | 417.9 | 489.3 | 451.2 |
| Hessian Cloth | 100 | 180.0 | 446.7 | Nil | 2,400.0 | Nil | 2,400.0 |
| Silk Piece Goods | 100 | 115.5 | 593.6 | 1,298.6 | 600.0 | Nil | 410.2 |
| Silk Yarn (artificial) | 100 | 122.4 | 223.5 | Nil | Nil | 410.2 | 410.2 |
| Blankets (wool & union) .. | 100 | 157.8 | 323.9 | 236.7 | 132.2 | 140.0 | 169.6 |
| Flannels | 100 | 93.5 | 136.6 | 306.9 | 275.2 | 369.5 | 317.2 |
| Suitings & Tweeds (woollen) | 100 | 128.5 | 473.1 | 572.5 | 420.3 | 464.9 | 485.9 |
| Average | 100 | 138.3 | 818.8 | 938.1 | 962.6 | 556.7 | 819.1 |
| Metals & Minerals | 1938 | 1st year 1941 | 1st year 1946 | July 1946 | Aug. 1946 | Sept. 1946 | 3rd Qtr. 1946 |
| Brass Sheets | 100 | 187.0 | Nil | 180.8 | 131.4 | 306.7 | 206.3 |
| Yellow Metal Sheathing .. | 100 | 174.8 | 225.9 | Nil | Nil | 246.8 | 246.8 |
| Coal | 100 | 250.4 | 509.7 | 544.3 | 427.6 | 503.6 | 491.8 |
| Iron & Steel Bars | 100 | 135.1 | 231.2 | 210.0 | 152.5 | 229.7 | 197.4 |
| Iron & Steel Nails | 100 | 144.9 | 302.5 | 321.5 | 348.3 | 311.1 | 327.0 |
| Iron & Steel Plates | 100 | 138.4 | 212.7 | Nil | 113.0 | 279.7 | 196.4 |
| Lead (pig) | 100 | 146.9 | 459.3 | 295.9 | Nil | 305.2 | 300.5 |
| Kerosene | 100 | 185.7 | 394.3 | 351.4 | 400.0 | 368.6 | 373.3 |
| Oil, Fuel | 100 | 148.5 | Nil | 148.6 | Nil | Nil | 148.6 |
| Lubricating Oil | 100 | 145.7 | 293.8 | 437.0 | 187.7 | 181.5 | 248.7 |
| Petrol | 100 | 89.7 | 206.6 | 151.3 | 172.4 | 179.9 | 167.5 |
| Tin | 100 | 168.1 | 245.7 | 220.8 | 177.7 | 209.5 | 202.7 |
| Average | 100 | 160.2 | 308.2 | 286.1 | 234.5 | 283.8 | 268.1 |
| Miscellaneous | 1938 | 1st year 1941 | 1st year 1946 | July 1946 | Aug. 1946 | Sept. 1946 | 3rd Qtr. 1946 |
| Cement | 100 | 234.9 | 429.6 | 424.3 | 336.5 | 375.1 | 378.6 |
| Charcoal | 100 | 256.4 | 638.2 | 674.7 | 814.7 | 872.0 | 787.1 |
| Feather (ducks) | 100 | 120.0 | 336.9 | 240.4 | 251.1 | 309.4 | 267.0 |
| Firewood | 100 | 223.2 | 737.9 | 713.7 | 787.4 | 906.3 | 802.5 |
| Hides (cow) | 100 | 127.7 | 2,453.8 | 494.6 | 851.5 | 775.4 | 707.2 |
| Hides (buffalo) | 100 | 95.4 | 303.1 | 316.9 | 305.8 | 210.1 | 277.6 |
| Leather (sole) | 100 | 139.7 | 393.0 | 334.6 | 310.5 | 364.8 | 336.6 |
| Paper (Chinese) | 100 | 105.5 | 253.6 | 379.3 | 391.2 | 337.9 | 369.5 |
| Rattans | 100 | 116.0 | 443.4 | 317.3 | 438.8 | 409.1 | 388.4 |
| Saltpetre | 100 | 128.2 | 1,086.8 | 563.6 | 639.7 | 684.6 | 629.3 |
| Softwoods | 100 | 201.9 | 915.0 | 1,070.4 | Nil | 359.8 | 715.1 |
| Soda Ash | 100 | 188.7 | 409.3 | 405.2 | 385.6 | 208.2 | 333.0 |
| Sulphuric Acid | 100 | 239.4 | 228.5 | 1,242.0 | 315.2 | 370.1 | 642.4 |
| Sulphate of Ammonia | 100 | 142.5 | 383.9 | 286.1 | 393.8 | 287.6 | 322.5 |
| Average | 100 | 213.9 | 1,720.4 | Nil | Nil | 230.0 | 230.0 |

One compare only the second and sixth column of figures below, i.e. index of the first six months of this year and the month of September. Within these last few months HK\$ purchasing power has remarkably appreciated and, in a good number of particularly textiles and miscellaneous articles, almost reached down to prewar levels. On the whole, purchasing power of HK\$ has recently improved by between 10 and 40%. What is so encouraging is the continued decrease of practically all quotations so that one can have confidence that there will be no break in this slow downslide of prices.

We in Hongkong could expect faster improvements if only economic conditions in China (currency and prices) would enjoy some degree of stability. However it does not appear that such will be the case soon, and, since the Colony's general well-being is partly conditioned on the economics of China, we shall have to be satisfied with what has been achieved so far.

The Index of Wholesale Prices

has been constructed on the basis of declared quantities and c.i.f. values of commodities imported into the Colony; the index numbers are not "weighted"; the year 1938 has been selected as the base period as representing a normal year.

Hong Kong Island Power Supply

The power consumption of Hong Kong island, supplied by Hongkong Electric, amounted to 16,225,163 units (kwh) during the first eight months of this year. In August 2,716,125 units were sold. These figures include supplies for industrial and household use.

The peak load of H.K. Electric is at present 13,500 kilowatt.

Shanghai Power Co. had in prewar days a capacity of 183,000 kw but owing to depredations of war the load has decreased to at present 119,000 kilowatt. The monthly consumption of power for industrial and home use is estimated at about 30 million kwh.

Conditions of Plant

H.K. Electric Co. suffered severely under the Japanese occupation. After the surrender the whole electric plant was in a deplorable condition. Everywhere dirt, rubbish and rubble were piled high, all of which had to be cleared before anything could be done to the plant itself.

The generating plant had apparently received no repairs or maintenance and showed signs of neglect and abuse. Several parts of No. 8 set were missing. Replacements were ordered from England in November but all the necessary parts to put this set in running order did not yet arrive. Nos. 5 and 6 sets had been dismantled and completely removed. In No. 4 Set, the shaft was badly bent and the unit useless. A new shaft has since been made at Taikoo and fitted by the staff. This set is again in service.

The small No. 2 Set had been so maltreated that it required much extensive adjustment before it could again be used. The company was left therefore with only No. 3 set of 5,000 kw capacity, and No. 7 set of 10,000 kw.

The boilers were also in bad condition. Two had been completely removed, two had been seriously maltreated in an attempt to convert them for use with wood fuel, and all were clogged and blocked with ash, sawdust and wood bark. Boilers and pipework were badly corroded and pitted, due to salt in the water used, which is, even yet, the cause of trouble developing at intervals.

One large circulating pump and two of the latest boiler feed pumps, together with a quantity of the switchgear had also been removed. These have not been traced.

Replacements Required

All the plant and coal handling gear was worn and neglected and required much work before it could be put in working order. Many replacements are still required before it can be regarded as being dependable.

Work was very difficult at first and was complicated by the entire absence of tools. Eventually Nos. 3 and 7 sets and Nos. 4 and 13 boilers got into something like running order.

Effect of Looting

In addition to the damage to the generating station, the distribution system has been seriously disrupted. This is almost entirely due to well organised looting. The majority of the sub-stations were stripped of all plant and fittings which could be moved, several miles of cable have disappeared entirely, having been dug up, and the contents of most of the distribution pillars have been torn out. Replacements have been ordered and many temporary devices improvised to give immediate service, but, with the slow deliveries, some considerable time must elapse before the distribution system regains its pre-war state. For this reason, a supply in certain outlying districts will not be available for some time.

The power station was first shelled and bombed by the Japanese and later bombed during the occupation. Several bombs in the compound and the office block was demolished, but the station itself escaped major damage.

Some old property in Wanchai has been completely destroyed. The Company owned three houses on the Peak and 13 houses on Causeway Hill. These have been so systematically and thoroughly looted that they have virtually been completely destroyed. There has also been substantial bomb damage to the quarters at North Point.

Cable Across Harbour.

For some weeks now the technical staffs of China Light and Hongkong Electric have been investigating the possibility of lying a submarine cable across the harbour and sufficient cable has been obtained to link the two stations. This cable has not been designed specifically for submarine use, but will serve in a temporary and experimental capacity.

The cable has recently been laid and will shortly help to normalise power requirements on the Island.

Since the resumption No. 7 set has been in continuous operation, save for a few brief hours at night when the condenser was cleaned. During this period, it has run 8,395 hours out of a possible 8,544 and no overhaul and very little maintenance work has, in consequence, been possible. The load when first started was 1,400 kw but has now risen to 13,500.

There is only sufficient spare plant to carry a fraction of the load and any major trouble, has meant, and still does mean, a serious curtailment of the supply. For this reason, therefore, it has been found necessary to discontinue all further connections and it is only for the sake of the more rapid rehabilitation that the company took this risk.

To meet the anticipated demand, new plant, consisting of a new boiler and a 15,000 kw set was ordered in October, but deliveries are extremely slow and it is not anticipated that this plant can be in commercial operation until 1949. Until that time there can be no very substantial increase in the load.

British Shipbuilding

Britain constructs 4½ times more ships than United States

Gross tonnage under construction in British shipbuilding yards at the end of June was 1,764,943 according to Lloyd's Register of Shipping. This is the highest figure recorded since June, 1922. During the quarter ended on June 30th, 374,405 tons were launched compared with 229,526 in the previous quarter. Britain is now building 53.9 per cent of the world tonnage under construction compared with 51.5 per cent at the end of March. Vessels under construction for foreign account have increased over the same period from 105,649 to 247,526 gross tons. Among foreign countries, tonnage under construction in the United States has decreased from 587,278 to 386,583 gross tons.

"Star" Ferries Conditions and Prospects

As from beginning of the current month "Star" Ferry Co. reduced monthly tickets by 40%, and one-trip-tickets, it is believed, will shortly be reduced as well. At the same time the launch services have very much improved and the "Star" management is stepping up repairs and reconditioning.

Work in the Past

On the Japanese surrender, the company found its property in a deplorable condition. The two piers had had little maintenance for the whole occupation and considerable sums have been, and will have to be spent, to bring them to a serviceable condition.

Of the six launches owned by the company, there was found the oldest unit of the fleet, Golden Star, sunk in the vicinity of Bocca Tigris, and a constructive total loss. Electric Star, the newest unit, was completely stripped of superstructure and machinery and to all intents and purposes a dumb lighter. Meridian Star was found with her superstructure removed, but still possessing her main engines. Northern Star, Night Star and Solar Star, were all in a deplorable condition, and Night Star was submerged in Yaumati shelter.

Rehabilitation Work

Work was immediately put in hand to get these last three serviceable and with them the service is now maintained. Meridian star has recently put to service.

It is with these four launches that the company maintains the service. Electric Star is being rehabilitated but it will be some time before the main propelling machinery can be obtained.

It is planned to build new and better boats, but it will inevitably be some years before they come into service.

Lease Expiration

In spite of this rehabilitation program the Company has as yet no clear indication as to the terms under which item will be permitted to operate after the pier leases expire in 1949. However, a letter addressed to the company's agents in London from the Colonial Office on July 26, 1945, has been received when plans were being made to rehabilitate certain essential utilities. It is on this letter that the directors have taken their decision. The relevant portion reads:

"In reply, I am to state that although Col Stanley is not in a position to commit the future Hongkong Government in this matter, he is prepared to make a recommendation on the following lines to that Government, when it is re-established: "That the leases which expire in 1949 be renewed for a total period of 30 years, with a clause giving Government an option to purchase the undertaking on the basis of a fair valuation in 1959, and thereafter at five yearly intervals.

"The terms of renewal to be agreed by Government and the Company between the date of liberation and 1949, and to include a profit sharing element worked out on a basis similar, insofar as it is possible, to that adopted in the case of the Hongkong Telephone Company and embodied in Hongkong Ordinance No. 9 of 1925 and No. 9 of 1940."

The Company will enter into negotiations with Government at an early date and, in the meantime, plans have to be made for the maintenance of an efficient service.

HONGKONG'S TRADE

Complete Returns and Trade Analysis

The analysis of Hongkong Trade statistics as found below are, apart from the fact that they are for the first time since the resumption of British authority over the Colony published in full length and with all details, conveying a clear picture of volume, direction and composition of our exports and imports.

The figures for the month of September reveal what goods were imported from, and exported to every single trading partner and deserve to be studied by every merchant, banker and economist.

HONGKONG HOTELS

The largest local hotel and restaurant company, Hongkong & Shanghai Hotels Ltd., enjoys on the share market very "bullish" confidence. Its shares are one of the principal favourites and, judging by reported financial results of the company during the last few months, this trend appears fully justified. The three Hongkong Hotels (Peninsula, Repulse Bay and Hongkong) have suffered some damages during the Japanese occupation while the two Shanghai Hotels (Palace and Astor) but for neglect and non-maintenance are, together with Cathay, Metropole and Park hotels, the leading hotels in China.

Hotel Conditions

As far as conditions in Hongkong and Shanghai are concerned, Mr. E. M. Raymond, the Chairman, stated:

It is not possible at the present juncture to ascertain exact costs of necessary replacements, and as hotels are filled to capacity, consequent upon the prevailing housing shortage, it is difficult to commence the rendition works called for without putting out of commission many rooms for long periods at a time for which there is a strong and urgent demand. The hotels are, therefore, faced with a rehabilitation programme which, although in progress in many essential respects, will entail a long term to fulfil at costs which may considerably differ from those now current.

During the occupational period the hotels generally, although happily escaping major structural damage, were sadly neglected and, in fact, were not subject to any ordinary measures of maintenance. Their contents were subject to depredations beyond belief, and in the case of Repulse Bay Hotel the premises on their return to the rightful owners were merely a shell, furniture and installations having been systematically removed, from all accounts, by the occupying force. Extensive stocks of stores and equipment were removed by the Japanese.

All hotels and other of the Company's premises were requisitioned by the British Military Administration immediately after the Japanese surrender, at rentals which included allowances for the use and depreciation of contents.

In Hongkong, the three hotels were de-requisitioned on June 16 of this year conditional upon the company complying with certain conditions as to rates and other charges.

In Shanghai, the Astor House Hotel was allotted for occupation by the U.S. Army and the major part of the accommodation at the Palace Hotel for the U.S. Navy personnel; in such circumstances a trading result was not comparable with what would have emanated from unrestricted operation. The Astor House Hotel, Shanghai, was vacated by the U.S. Army in the course of June last, since when the premises have been leased for a period at a rental considered to be satisfactory. The Palace Hotel's operation is still fettered by having a great part of its accommodation at the disposal of the U.S. Navy.

Trade for first nine months of 1946

Because of considerable depreciation of our HK\$ of 1946 when compared with the dollar of 1939 (being the "standard" prewar year selected by Hongkong government for comparisons) it should be understood that Hongkong's trade, although impressive when looking at figures alone, has still a long way to go to attain the 1939 level. One can safely calculate the depreciation of the 1946 H.K. dollar against the 1939 dollar amounting to about five times, that is to say that if 1946 should equal in imports and exports the year 1939 figures ought to read:

Returns for First Nine Months and September of 1946

Imports of merchandise into the Colony of Hong Kong during the month of September, 1946 amounted to a declared value of \$110,764,938 as compared with \$39,873,387 in the month of September, 1939. Exports totalled a declared value of \$97,834,001 as compared with \$42,495,753. Imports during the first nine months of 1946 amounted to a declared value of \$631,618,138 as compared with \$443,653,162 in the first nine months of 1939; and Exports totalled \$516,445,256 as compared with \$402,930,762. No cognizance has been taken in the following tables of Government "sponsored cargoes".

TOTAL VALUES OF IMPORTS & EXPORTS OF MERCHANDISE BY COUNTRIES FOR SEPTEMBER 1939 AND 1946

| COUNTRIES | Imports | | Exports | |
|-------------------------------|-------------------|--------------------|-------------------|-------------------|
| | 1939 | 1946 | 1939 | 1946 |
| United Kingdom | 3,477,029 | 8,500,936 | 1,218,445 | 1,295,682 |
| Australia | 414,164 | 6,494,711 | 358,790 | 505,427 |
| Burma | 19,606 | — | 476,092 | 843,432 |
| Canada | 318,865 | 945,409 | 180,127 | 144,775 |
| Ceylon | 33,853 | 122,064 | 201,796 | 457,607 |
| East Africa | 20,913 | — | 26,484 | — |
| India | 557,640 | 6,853,201 | 1,135,401 | 3,929,843 |
| Malaya (British) | 672,623 | 5,236,777 | 3,549,077 | 25,877,846 |
| New Zealand | 3,732 | 86,465 | 81,554 | 34,137 |
| North Borneo | 258,482 | 142,793 | 147,737 | 690,505 |
| South Africa | 116,598 | — | 225,274 | 29,831 |
| West Africa | — | — | 128,297 | 20,704 |
| West Indies | — | — | 451,476 | 2,400 |
| British Empire, Other | 5,406 | 3,351,505 | 207,409 | 212,723 |
| Belgium | 197,538 | 800,794 | 36,090 | 228,115 |
| China, North | 13,690,520 | 7,275,230 | 2,827,969 | 11,694,074 |
| China, Middle | 94,335 | 3,957,409 | 574,609 | 5,248,033 |
| China, South | 2,533,455 | 16,544,704 | 1,615,705 | 15,974,608 |
| Cuba | — | — | 19,131 | 1,687 |
| Central America | 3,450 | 57,208 | 273,262 | 30,235 |
| Denmark | 4,818 | 17,878 | 59,263 | 332,910 |
| Egypt | 416 | 62,299 | 13,837 | 270,013 |
| France | 303,005 | 281,570 | 343,713 | 789,920 |
| French Indo China | 1,417,375 | 9,768,052 | 3,163,025 | 4,867,680 |
| Germany | 288,247 | — | 321,073 | — |
| Holland | 458,424 | 41,956 | 140,085 | 289,343 |
| Italy | 246,806 | 711,813 | — | 39,534 |
| Japan | 1,596,114 | — | 909,990 | — |
| Kwong Chow Wan | 1,764,136 | 667,336 | 5,510,521 | 371,513 |
| Macao | 3,111,836 | 11,580,672 | 4,313,239 | 3,423,725 |
| Norway | 48,161 | 818,412 | 7,891 | 389,324 |
| Netherlands East Indies | 1,991,509 | 925,041 | 1,578,667 | 406,001 |
| Philippines | 218,532 | 2,391,397 | 1,077,743 | 4,565,374 |
| Portugal | 605 | 1,248 | — | — |
| Siam | 1,972,589 | 4,316,927 | 1,184,433 | 9,080,491 |
| South America | 74,540 | 9,964 | 86,851 | 83,628 |
| Sweden | 93,233 | 352,224 | 2,338 | 169,133 |
| Switzerland | 39,361 | 471,760 | — | — |
| Spain | 2,040 | 2,816 | — | — |
| U.S.A. | 3,597,133 | 17,753,106 | 9,185,463 | 8,528,748 |
| U.S.S.R. | — | — | — | — |
| Others | 231,298 | 221,172 | 862,896 | — |
| TOTAL | 39,873,387 | 110,764,938 | 42,495,753 | 97,834,001 |

TOTAL VALUES OF IMPORTS & EXPORTS BY MAIN GROUPS FOR SEPTEMBER 1939 AND 1946

| Articles | Imports | | Exports | |
|----------------------------------|-------------------|--------------------|-------------------|--------------------|
| | 1939 | 1946 | 1939 | 1946 |
| Animals, Live | 996,749 | 3,114,110 | 57,784 | — |
| Building Materials | 560,475 | 3,011,989 | 211,696 | 595,275 |
| Chemicals and Drugs | 476,131 | 5,570,615 | 409,054 | 2,721,580 |
| Chinese Medicines | 1,706,963 | 5,792,753 | 1,772,073 | 5,132,937 |
| Dyeing & Tanning Materials | 402,388 | 1,694,713 | 588,483 | 1,013,696 |
| Foodstuffs and Provisions | 8,781,856 | 22,790,428 | 7,555,682 | 10,385,696 |
| Fuels | 1,051,896 | 2,688,886 | 75,818 | 17,757 |
| Hardware | 321,262 | 1,355,819 | 294,191 | 648,855 |
| Liquors, Intoxicating | 342,987 | 1,248,376 | 110,610 | 510,949 |
| Machinery & Engines | 728,959 | 479,519 | 366,273 | 125,525 |
| Manures | 42,398 | 352,624 | 485,590 | 308,064 |
| Metals | 2,647,761 | 4,445,466 | 2,864,863 | 5,008,188 |
| Minerals and Ores | 20,245 | 627,242 | 1,272,620 | 31,080 |
| Nuts and Seeds | 472,951 | 1,852,759 | 544,303 | 428,783 |
| Oils and Fats | 4,369,415 | 11,854,030 | 6,537,651 | 13,866,770 |
| Paints | 142,710 | 628,894 | 72,839 | 429,103 |
| Paper & Paperware | 841,771 | 4,252,937 | 515,657 | 4,561,241 |
| Piece Goods & Textiles | 9,680,952 | 16,099,960 | 8,443,707 | 31,557,342 |
| Railway Materials | — | 393 | 520 | — |
| Tobacco | 394,278 | 2,816,589 | 526,655 | 774,681 |
| Treasure | 41,536 | 3,630,000 | 7,045,871 | 2,554,701 |
| Vehicles | 991,450 | 2,404,967 | 992,370 | 199,968 |
| Wearing Apparel | 447,373 | 1,061,832 | 1,921,289 | 2,795,152 |
| Sundries | 4,473,379 | 16,820,037 | 6,876,025 | 16,721,359 |
| Total | 39,914,923 | 114,394,938 | 49,541,624 | 100,388,702 |
| Merchandise only | 39,873,387 | 110,764,938 | 42,495,753 | 97,834,001 |

Imports for 9 months: \$2,200 millions
(but they are only \$631 millions)
Exports for 9 months: \$2,000 millions
(but they are only 516 millions)

In other words: the volume of trade has been considerably reduced, only about 30% of prewar imports, and about 25% of prewar exports have arrived here, or were shipped away, during the period January/September 1946.

However, returns for September give a much better impression of recent trade developments. If one adjusts Sept. 1946 returns to Sept. 1939 figures, or vice versa, the picture is as follows:

Sept. 1946 imports volume about 60% of prewar (1939).
Sept. 1946 exports volume about 50% of prewar (1939).

Some Highlights of Returns January/September 1946

China's exports to Hongkong were, it is hard to believe, larger than her imports. That makes China's balance of trade with Hongkong active.

British Malaya is an even bigger surprise (one can also derive from such dry matter as trade statistics stimulation for thoughts!). With 25% of the total exports Malaya ranks as Hongkong's second largest customer.

U.S. exported to Hongkong just double what they imported from here.

The export drive of U.K. was, as far as Hongkong is concerned, a 150% success; U.K. exports to Hongkong were exactly 150% larger than in 1939.

Australia is now the seventh largest importer while before the war she practically did not figure at all.

Following are the eight leading export & import countries and groups of merchandise for both Jan./Sept. and Sept. 1946.

For First nine months 1946

| Countries | Imports (in millions) | Exports (in millions) |
|----------------------|--------------------------|--------------------------|
| China | \$225 | \$199 |
| U.S. | 83 | 48 |
| Macao | 56 | 23 |
| Malaya | 51 | 127 |
| Fr. Indoch. | 46 | 25 |
| India | 39 | 14 |
| Australia | 24 | — |
| U.K. | 23 | 13 |
| Siam | — | 34 |
| (Brit. Empire) | 167 | 162 |

| Groups | Imports (in millions) | Exports (in millions) |
|--------------------|--------------------------|--------------------------|
| Foodstuffs | \$157 | \$ 78 |
| Sundries | 103 | 93 |
| Oils & Fats | 74 | 84 |
| Piece goods | 62 | 103 |
| Chin. Medicines .. | 52 | 48 |
| Live Animals | 22 | — |
| Chemicals | 20 | 16 |
| Paper | 20 | 20 |

For September 1946:

| Countries | Imports (in millions) | Exports (in millions) |
|----------------------|--------------------------|--------------------------|
| China | \$27.7 | \$32.9 |
| U.S. | 17.7 | 8.5 |
| Macao | 11.5 | 3.4 |
| Indochina | 9.7 | 4.8 |
| U.K. | 8.5 | — |
| India | 6.8 | 3.9 |
| Australia | 6.4 | — |
| Malaya | 5.2 | 25.8 |
| Philippines | — | 1.5 |
| Siam | — | 9.0 |
| (Brit. Empire) | 31 | 33 |

| Groups | Imports (in millions) | Exports (in millions) |
|---------------------|--------------------------|--------------------------|
| Foodstuffs | \$22.7 | \$10.3 |
| Sundries | 16.6 | 16.7 |
| Piece goods | 16.0 | 31.5 |
| Oil & Fats | 11.8 | 13.8 |
| Ch. Medicines | 5.7 | 5.1 |
| Chemicals | 5.5 | — |
| Metals | 4.4 | 5.0 |
| Paper | 4.2 | 4.5 |
| Wearing Appl. | — | 2.7 |

TOTAL VALUES OF IMPORTS & EXPORTS OF MERCHANDISE BY COUNTRIES FOR FIRST NINE MONTHS OF 1939 AND 1946

| COUNTRIES | Imports from | | Exports to | |
|-------------------------------|--------------|-------------|-------------|-------------|
| | 1939 | 1946 | 1939 | 1946 |
| | \$ | \$ | \$ | \$ |
| United Kingdom | 33,914,362 | 23,622,921 | 15,693,045 | 13,391,851 |
| Australia | 4,831,430 | 24,634,789 | 2,465,252 | 2,944,098 |
| Burma | 981,387 | — | 4,638,876 | 87,841 |
| Canada | 3,956,535 | 8,354,714 | 1,691,870 | 496,544 |
| Ceylon | 202,868 | 225,851 | 934,376 | 807,289 |
| East Africa | 299,479 | 111,390 | 141,230 | 62,780 |
| India | 6,780,112 | 39,603,428 | 5,899,491 | 14,763,353 |
| Malaya (British) | 9,961,718 | 51,197,585 | 29,692,905 | 127,144,941 |
| New Zealand | 355,005 | 107,765 | 619,554 | 160,979 |
| North Borneo | 2,240,733 | 1,323,686 | 1,165,960 | 949,176 |
| South Africa | 1,389,797 | 19,628 | 2,108,089 | 302,684 |
| West Africa | — | — | 833,039 | 23,429 |
| West Indies | 2,709 | 700 | 3,640,644 | 32,332 |
| British Empire, Other | 446,820 | 17,928,918 | 2,233,156 | 383,239 |
| Belgium | 5,401,278 | 4,312,322 | 1,301,121 | 671,247 |
| China, North | 115,078,079 | 68,261,577 | 35,803,173 | 75,046,645 |
| China, Middle | 13,166,819 | 36,150,105 | 21,560,803 | 28,604,739 |
| China, South | 36,391,471 | 121,131,429 | 18,327,740 | 96,168,589 |
| Cuba | 1,929 | — | 122,367 | 80,257 |
| Central America | 10,762 | 77,208 | 1,268,315 | 84,706 |
| Denmark | 1,648,295 | 486,532 | 782,683 | 2,375,090 |
| Egypt | 84,226 | 304,217 | 209,910 | 1,213,885 |
| France | 2,336,546 | 867,180 | 6,050,987 | 1,412,075 |
| French Indo China | 26,930,036 | 46,376,616 | 45,423,592 | 25,323,216 |
| Germany | 12,932,295 | — | 12,612,096 | — |
| Holland | 3,817,339 | 69,071 | 5,409,077 | 1,068,566 |
| Italy | 1,306,806 | 823,742 | 175,399 | 211,734 |
| Japan | 21,351,711 | — | 3,979,608 | — |
| Kwong Chow Wan | 17,315,923 | 3,507,216 | 31,427,922 | 1,353,821 |
| Macao | 23,080,958 | 56,301,028 | 32,434,727 | 23,481,190 |
| Norway | 592,780 | 5,409,395 | 395,730 | 1,403,472 |
| Netherlands East Indies | 26,246,306 | 2,543,450 | 10,018,333 | 2,325,981 |
| Philippines | 1,705,628 | 9,800,277 | 8,603,799 | 7,523,489 |
| Portugal | 76,477 | 373,874 | 11,663 | 9,843 |
| Siam | 20,764,251 | 20,753,073 | 10,438,393 | 34,310,005 |
| South America | 640,405 | 21,964 | 869,875 | 202,904 |
| Sweden | 637,259 | 865,941 | 632,635 | 2,536,504 |
| Switzerland | 896,624 | 2,143,757 | — | — |
| Spain | 246,920 | 72,368 | — | — |
| U.S.A. | 40,927,637 | 83,359,670 | 53,675,475 | 48,615,251 |
| U.S.S.R. | — | — | — | — |
| Others | 4,692,029 | 472,751 | 29,818,172 | 81,407 |
| TOTAL | 443,653,162 | 631,618,138 | 402,930,762 | 516,445,256 |

TOTAL VALUES OF IMPORTS & EXPORTS BY MAIN GROUPS FOR FIRST NINE MONTHS OF 1939 AND 1946

| Articles | Imports | | Exports | |
|----------------------------------|-------------|-------------|-------------|-------------|
| | 1939 | 1946 | 1939 | 1946 |
| | \$ | \$ | \$ | \$ |
| Animals, Live | 10,905,293 | 22,478,962 | 319,173 | — |
| Building Materials | 6,141,265 | 14,398,052 | 2,160,885 | 2,213,878 |
| Chemicals and Drugs | 6,009,417 | 20,425,362 | 5,607,446 | 16,752,435 |
| Chinese Medicines | 20,538,228 | 52,805,804 | 16,351,253 | 48,818,933 |
| Dyeing & Tanning Materials | 7,261,320 | 7,438,415 | 7,186,134 | 4,177,034 |
| Foodstuffs & Provisions | 97,569,931 | 157,411,363 | 80,805,255 | 78,186,999 |
| Fuels | 11,233,589 | 8,006,951 | 522,080 | 277,091 |
| Hardware | 3,864,887 | 3,411,826 | 3,508,062 | 4,978,214 |
| Liquors, Intoxicating | 3,658,068 | 7,544,518 | 1,088,920 | 4,254,353 |
| Machinery & Engines | 9,483,703 | 5,364,109 | 6,266,725 | 753,375 |
| Manures | 7,729,626 | 1,027,472 | 7,262,169 | 2,824,766 |
| Metals | 32,538,936 | 18,535,296 | 32,883,562 | 20,526,080 |
| Minerals and Ores | 4,240,214 | 968,714 | 20,545,295 | 688,639 |
| Nuts and Seeds | 7,501,493 | 16,161,376 | 4,783,335 | 8,622,745 |
| Oils and Fats | 59,241,550 | 74,970,814 | 51,215,228 | 84,980,084 |
| Paints | 1,631,035 | 2,751,816 | 1,360,781 | 2,646,045 |
| Paper & Paperware | 8,468,589 | 20,737,840 | 5,483,347 | 20,409,759 |
| Piece Goods & Textiles | 69,973,596 | 62,234,449 | 53,392,804 | 103,308,415 |
| Railway Materials | 76,152 | 5,521 | 75,968 | 16,926 |
| Tobacco | 7,951,292 | 15,184,876 | 7,892,697 | 3,699,003 |
| Treasure | 565,270 | 3,866,238 | 56,313,681 | 10,880,573 |
| Vehicles | 12,445,978 | 9,278,405 | 18,611,998 | 776,130 |
| Wearing Apparel | 3,081,295 | 7,002,579 | 19,101,153 | 13,939,045 |
| Sundries | 52,109,787 | 103,473,618 | 56,556,492 | 93,595,307 |
| Total | 444,218,132 | 635,484,376 | 459,244,743 | 527,325,829 |
| Merchandise only | 443,653,162 | 631,618,138 | 402,930,762 | 516,445,256 |

Total Values of Imports & Exports Under Main Groups by Countries

| Sept., 1946 | | |
|------------------------------------|--------------------------|--------------------------|
| UNITED KINGDOM | | |
| Articles | Imports (in millions) | Exports (in millions) |
| Building Materials | 134,959 | — |
| Chemicals & Drugs | 1,946,222 | — |
| Chinese Medicines | — | 79,662 |
| Dyeing & Tanning | — | — |
| Materials | 550,645 | 54,012 |
| Foodstuffs & Provi- sions | 67,556 | 1,859 |
| Hardware | 175,560 | — |
| Liquors, Intoxicating | 118,309 | — |
| Machinery & Engines | 71,520 | — |
| Manures | 340,064 | — |
| Metals | 761,622 | — |
| Nuts & Seeds | — | 7,157 |
| Oils & Fats | 13,422 | 813,339 |
| Paints | 250,872 | — |
| Paper & Paperware | 98,996 | — |
| Piece Goods & Textiles | 940,524 | — |
| Railway Materials | 293 | — |
| Tobacco | 609,510 | — |
| Vehicles | 1,158,785 | — |
| Wearing Apparel | 107,301 | 200 |
| Sundries | 974,675 | 339,453 |
| Total | 8,500,935 | 1,295,682 |

HONGKONG COMPANIES' ANNUAL MEETINGS

Resumes and Balance Sheets of Ten Public Companies

In order to bring up to date Hongkong Companies' Reports since the surrender of Japan, and give a summary picture to local and particularly overseas and Shanghai readers, the following short resumes of Companies' businesses and latest Balance Sheets are published.

Most Hongkong Public Companies lost all their books, accounts and relevant records so that business results for 1941 had largely to be constructed. New books had to be opened usually based on the last available balance sheet for 1940.

Until middle of October, 1946, ten public companies held their ordinary annual meeting of shareholders. The articles of association always provide that a yearly general meeting be held but it was naturally impossible to fulfil this requirement during the last four years. Therefore, every meeting had to pass regularisation of the directors' appointments and

acts during the postwar period. The Japanese managed or mismanaged the various undertakings of their "enemies" with the effect that, in many cases, enormous damages resulted. Local looters made such damages complete.

Immediately after the British authorities took over, Company directors arranged for meetings and resumed their prewar businesses. However, in a number of firms, particularly Public Utilities, management was for several months retained in the hands of the British Military Administration.

In all instances, all acts by Directors and management during the period previous to the convention of an ordinary shareholders' meeting were recognised as having been undertaken in the best interests of the company and the general meetings invariably confirmed and ratified them.

(To be Continued in Next Issue, Oct. 30th.)

THE HONGKONG LAND INVESTMENT AND AGENCY CO., LTD.

At the 53rd Report of the Directors to the general meeting of Shareholders, on July 8, 1946, the following report was made:

The Balance on Profit and Loss Account for the twelve months ended 31st December, 1941, after writing off \$24,400.00 from Land and \$227,513.87 from Buildings, was \$668,959.61, which, with \$664,482.95 brought forward from 1940, has been credited to Profit and Loss Appropriation Account. An Interim Dividend of \$1.00 per share was paid in August, 1941, absorbing \$300,000.00, and after adding \$3,566.22 to Special Repairs and Renewals Account, there remained a balance of \$1,029,876.34 to be carried forward to 1942.

The sum of \$518,309.01, covering estimated War Losses based on 1941 book values and provision for Rehabilitation costs, has been charged to War Losses Account and appears in the Balance Sheet at 31st December, 1945.

Charges which accrued for the period 1st January, 1942, to 31st August, 1945, amounting to \$1,331,032.87 have been transferred to Profit and Loss Appropriation Account.

The Net Profit for the period 1st September, 1945, to 31st December, 1945, after providing \$8,200.00 to write off Land and \$52,749.08 to write off Buildings, amounted to \$136,066.80 which has been credited to Profit and Loss Appropriation Account, leaving a debit balance of \$165,089.73 to be carried forward.

The Reserve for Special Repairs and Renewals, which is no longer required as a separate account, has been added to General Reserve.

Directors: Mr. D. F. Landale (Chairman), Messrs. A. H. Compton, T. Ramsay, M. K. Lo and J. G. Wilson.

BALANCE SHEET AT 31ST DECEMBER, 1945.

SHARE CAPITAL:—

Authorised—

400,000 shares of \$25.00 each \$10,000,000.00

Issued—

300,000 shares of \$25.00 each fully paid \$ 7,500,000.00

GENERAL RESERVE:—

Balance at 31st December, 1941 \$6,411,875.00

Add Provision for Special Repairs & Renewals no longer required 50,000.00

6,461,875.00

518,309.01

5,943,565.99

Less War Losses Account 13,443,565.99

165,089.73

13,278,476.26

Less Profit and Loss Appropriation Account 2,000,000.00

4% DEBENTURES (1st Issue) Secured by a Floating Charge on the Assets of the Company 1,068,135.32

CURRENT LIABILITIES:—

Sundry Creditors \$ 526,566.23

Deposits 55,117.00

Unclaimed Dividends 11,102.00

Provision for Debenture Interest 340,000.00

Provision for Rehabilitation of Buildings 135,350.09

1,068,135.32

Note:—No transactions in connection with the Company's affairs which may have taken place during the period of enemy occupation of Hong Kong are included in the above Accounts.

\$16,346,611.58

FIXED ASSETS:—

Land, as revalued at 31st December, 1935 and additions at cost, less written off \$11,579,900.00

Buildings, at cost less amount written off in respect of Depreciation and War Damage 3,919,200.00

\$15,499,100.00

Furniture, Fixtures and Hotel Furnishings, at cost, less Depreciation 283,736.08

\$15,782,836.08

CURRENT ASSETS:—

Stores and Stocks on hand as certified by the Company's Officials:

Stores, at cost \$ 41,126.28

Stocks, at cost less written off 20,699.54

\$ 61,825.82

Sundry Debtors 258,797.77

Cash at Bank:

Free Accounts \$ 22,075.73

Blocked Accounts 217,485.70

239,561.43

Cash in Hand 3,590.48

563,775.50

\$16,346,611.58

HONGKONG AND SHANGHAI BANKING CORPORATION.

The Bank's 129th report of the Board of Directors to the ordinary yearly general meeting of shareholders on July 12th, 1946, stated:

The full extent of the loss incurred by the Corporation as a result of the war in the Far East cannot at present be ascertained and in these circumstances the Directors were unable to recommend the payment of a dividend. It was resolved that the profit for the year amounting to £217,855.3.1

be transferred to Contingencies Reserve.

The Directors of the Bank, appointed by the Governor of Hongkong by virtue of the powers vested in him by Ordinance No. 8 of 1946, are: Hon. Mr. A. Morse (Chairman and Chief Manager), Messrs. A. H. Compton, R. D. Gillespie, D. F. Landale, G. Miskin, C. C. Roberts, and H. V. Wilkinson.

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER, 1945.

(excluding the figures of Offices not yet re-opened).

To Balance transferred to Contingencies Reserve .. £ 217,855. 3. 1.

By Profit including the results of re-occupied Offices since the date of re-opening, after making provision for Bad and Doubtful Debts arising in the ordinary course of business but before providing for losses due to war £ 217,855. 3. 1.

£ 217,855. 3. 1.

£ 217,855. 3. 1.

BALANCE SHEET AT 31ST DECEMBER, 1945.

| | £ | s. | d. |
|--|------------------|-------------|--------|
| SHARE CAPITAL:— | | | |
| Authorised and Issued: | | | |
| 160,000 Shares of HK\$125 each, fully paid | HK \$ 20,000,000 | 1,250,000. | 0. 0. |
| RESERVE LIABILITY OF MEMBERS:— | | | |
| HK\$125 per Share on 160,000 Shares issued | HK \$ 20,000,000 | | |
| RESERVE FUND | | 7,125,000. | 0. 0. |
| HONGKONG CURRENCY NOTES IN CIRCULATION | | | |
| Authorised Note Issue against securities deposited with the Crown Agents for the Colonies HK\$30,000,000 | £ 1,875,000. | 0. 0. | |
| Excess Note Issue against Hong- kong Government Certificates of Indebtedness | HK\$226,563,301 | 14,160,206. | 6. 2. |
| | | 16,035,206. | 6. 2. |
| CURRENT, DEPOSIT & OTHER ACCOUNTS , including Ac- counts subject to Moratorium and at Offices not yet re-open- ed amounting to £14,176- 612.9.7 and including provi- sions for Bad and Doubtful Debts and Contingencies | £67,653,912. | 9.11. | |
| BILLS PAYABLE | 478,280. | 19.11. | |
| | | 68,132,193. | 9.10. |
| NET BALANCE OF DRAFTS less Remittances and other items in transit including items in transit between Offices not yet re-opened | | 1,969,989. | 14. 4. |

NOTES:

1. The above total of Hongkong Currency notes in circulation does not include Currency Notes of the Corporation issued by the Japanese Authorities during the occupation of Hongkong, but the loss which it is anticipated will be incurred by the Corporation in this connection has been taken into account in the above Balance Sheet.
2. In the case of certain offices the figures included in the above Balance Sheet reflect the result of transactions which took place during the period of enemy occupation and may be subject to adjustment.
3. The balances of Offices in territories where no official rate of exchange existed at 31st December, 1945 have been converted into sterling at approximately the last officially quoted rate; the balances of Offices in China have been converted into sterling at C.N. \$7,200 to the £; the balances of other Offices have been converted into Sterling at approximately the official rate.
4. There are contingent liabilities in respect of confirmed credits, guarantees given and forward exchange contracts.

£94,512,389.10. 4.

| | £ | s. | d. |
|---|--------------|-------------|----------------|
| CASH AT BANKERS AND IN HAND | 8,690,703. | 2. 3. | |
| HONGKONG GOVERNMENT CERTIFICATES OF INDEBTEDNESS | 14,223,178. | 17. 6. | |
| MONEY AT CALL AND SHORT NOTICE | 20,000,000. | 0. 0. | |
| BILLS RECEIVABLE | 649,098. | 2. 1. | |
| INVESTMENTS:— | | | |
| British Government Securities ... | £14,901,267. | 16. 7. | |
| Dominion, Colonial and other Securities | 7,031,528. | 7. 2. | |
| | | 21,932,796. | 3. 9. |
| INVESTMENTS IN SUBSIDIARY COMPANIES. | | | |
| Hongkong and Shanghai Bank (Trustee) Ltd. 250,000 Shares of £1 each, 8/- paid | 100,000. | 0. 0. | |
| Hongkong and Shanghai Bank (Nominees) Ltd. 100 shares of £1 each, fully paid | | | 100,000. 0. 0. |
| ADVANCES TO CUSTOMERS AND OTHER ACCOUNTS | 8,562,093. | 6. 6. | |
| BANK PREMISES , at cost less amounts written off | 1,129,892. | 15. 7. | |
| ADVANCES TO CUSTOMERS SUBJECT TO MORATORIUM , and other Accounts the realis- able value of which cannot at present be arrived at, including losses due to war so far as ascertained | | 19,224,627. | 2. 8. |

£94,512,389.10. 4.

STATISTICAL SECTION

FINANCIAL NOTES

Hongkong Exchange Markets

During the week ending October 19, CN\$ once formed up and reached on 17th its record of HK\$1.20 for CN\$10,000 cash, and 99 HK cents forward. On Monday the CN\$ opened HK\$0.87 for futures and 1.09 for cash. Week's closing was 94 cents and HK\$1.02 for spot and forward respectively. (That means that HK\$ quoted during the week between CN\$880, lowest, and 920, highest). The US\$ did not move much in terms of HK\$, and there was rather small demand for American exchange and bank notes. High and low for the week for US\$: 4.60 and 4.50 respectively. Gold moved between HK\$292 and 315 for one tael. Sterling was not in demand even at HK\$15.60. The lowest sterling price (sellers) during the week under report was 15.20.

Shanghai Exchange Markets

There is still much confusion on account of Central Bank interference in the open market and it is not easy to ascertain reliable rates. On the whole US\$ selling price never went below CN\$4,080, and topped once 4,350. HK\$ was steady with small turnover reported. It played between CN\$890 to 920 for one HK dollar.

For the week under report the following high and low rates were recorded in CN\$:

| | Gold per oz. | US\$ | HK\$ | £ |
|------|--------------|-------|------|--------|
| High | 220.00 | 4,300 | 920 | 15,300 |
| Low | 221.500 | 4,080 | 885 | 14,500 |

Hongkong & Shanghai Banking Corporation

Selling Rates for HK\$

October 19

| T/T | London | Shanghai | Singapore | India | Canada | Australia | New York | Manila | Bangkok | France | Switzerland |
|-----|-----------|----------|-----------|-------|--------|-----------|----------|---------|---------|--------|-------------|
| | 1/2.27/32 | nominal | 52½ | 82½ | 24½ | 1/6½ | 24½ | 50.1/16 | 243 | 2970 | 107 |

U.S. cross rate on London
4.02½ 4.03½

Hongkong Exchange Shops

Selling Rates in HK\$

| October | CN\$ | Gold per tael | £ | US\$ |
|---------|------|---------------|-------|------|
| 14 | 920 | 292 | 16.00 | 4.60 |
| 15 | 900 | 300 | 15.70 | 4.50 |
| 16 | 885 | 304 | 15.20 | 4.50 |
| 17 | 880 | 310 | 15.35 | 4.50 |
| 18 | 884 | 297 | 15.80 | 4.55 |
| 19 | 885 | 298 | 15.50 | 4.50 |

Shanghai Exchange Shops

Selling Rates in CN\$

| October | Gold per ounce | HK\$ | US\$ | £ |
|---------|----------------|------|-------|--------|
| 14 | 221,000 | 910 | 4,300 | 15,300 |
| 15 | 220,500 | 920 | 4,250 | 15,000 |
| 16 | 220,000 | 890 | 4,100 | 14,800 |
| 17 | 220,000 | 900 | 4,100 | 14,600 |
| 18 | 220,000 | 890 | 4,080 | 14,500 |
| 19 | 220,000 | 890 | 4,100 | 14,500 |

Gold/U.S.\$ cross rate: US\$54.

Chinese Government Bonds

in London in £

| | 1940 | 1946 | 1946 |
|--|------|------|---------------|
| | High | Low | Sept. Oct. 17 |
| 5% Crisp Loan, 1912 | 30 | 13 | 49 44 |
| 5% Reorg. Loan, 1913 (London issue) | 43 | 18 | 51 47 |
| 5% Canton Kowloon Railway | 17 | 6 | 23 23 |
| 5% Tientsin Pukow Railway | 16 | 8 | 27 26½ |
| 5% Shanghai Nan-king Railway | 21 | 12 | 29 27 |
| 5% Lung-Tsing U. H. a i Railway (1913) | 14 | 8 | 23 |
| 5% Hukang Railway (1911) | 19 | 12 | 28 28 |
| 5% Honan Railway (1905) | 16 | 9 | 32 32½ |

London Foreign Exchange Rates

October 17, 1946

| | 1/4.1/16 | 1/3.1/16 |
|-----------------------|-----------|----------|
| Hong Kong | unquoted | |
| Shanghai | 2/4.1/32 | 2/4½ |
| New York | 4.02½ | 4.03½ |
| Montreal | 4.02 | 4.04 |
| India | 17.94 | 18.06 |
| Australia | 12½ | 12½ |
| South Africa | 100 | 100½ |
| Palesine | 99½ | 100½ |
| Alexandria | 97½ | 9½ |
| Rangoon | 1/3.15/16 | 1/6.1/16 |
| Paris & French Empire | 479.50 | 480.30 |
| Stockholm | 14.47 | 14.50 |
| Zuerich (banknotes) | 17.25 | 17.50 |
| Holland | 10.63 | 10.65 |
| Batavia | 10.68 | 10.70 |
| Prague | 201 | 202 |

New York Foreign Exchange Rates

| | Oct. 8. US\$ | Oct. 15. US\$ |
|----------------------|--------------|---------------|
| 100 Hong Kong | 25.20 | 25.20 |
| 100 Singapore | 47.55 | 47.55 |
| 1,000 Shanghai | 30.50 | 30.50 |
| 1 London | 4.03½ | 4.03½ |
| 1 Australia | 3.23½ | 3.23½ |
| 100 Canada | 96½ | 96 |
| 100 India | 30.30 | 30.32 |
| 1 South Africa | 4.03½ | 4.03½ |
| 100 France | 0.84½ | 0.84½ |
| 100 Portugal | 4.05 | 4.05 |
| 100 Sweden | 27.86 | 27.85 |
| 100 Switzerland | 23.40 | 23.40 |
| 100 Netherlands | 37.95 | 37.95 |
| 100 Batavia | 38.00 | 38.00 |
| 100 Argentine (off.) | 29.77 | 29.77 |
| " (unoff.) | 24.70 | 24.57 |
| 100 Brazil | 5.50 | 5.50 |
| 100 Mexico | 20.68 | 20.68 |

Bank of England Returns

For the week ending October 16:

| | |
|---|----------------|
| Notes in circulation | £1,362,475,000 |
| Public Deposits | 17,362,000 |
| Private Deposits | 316,453,000 |
| Government Securities | 287,226,000 |
| Other Securities | 25,542,000 |
| Reserve of Banknotes, Gold and Silver Coins in the Banking Department | 38,778,000 |
| Bank Ratio | 11.6% |
| Bank Rate | 2% |

Bank of France Returns

For the week ending October 10:

| | |
|---------------------------------------|---------------------|
| Total Gold Holdings | Frs. 94,816,556,128 |
| Total of other securities | 118,425,988 |
| Sight balances abroad | 2,950,500 |
| Bills discounted in France and abroad | 64,613,398,067 |
| Notes in circulation | 683,219,146,540 |
| Current accounts and deposits | 53,693,224,337 |

Federal Reserve Bank Returns

For the week ending October 16:

| | |
|-----------------------------------|--------------------|
| Money in circulation | US\$28,597,000,000 |
| Gold reserves | 20,304,000,000 |
| Excess reserves | 960,000,000 |
| Holdings of U.S. Govt. securities | 23,418,000,000 |
| Brokers' Loans | 737,000,000 |
| Bank ratio | 43.1% |
| Bank Clearings | 11,468,156,000 |

Shanghai Securities Exchange, Ltd.

Chinese Shares in CN\$

| Name | Oct. 7 | Oct. 12 |
|-----------------|--------|---------|
| Wing On Textile | 774 | 780 |
| Mayar Silk | 4,350 | 4,300 |
| China Match | 1,500 | 1,420 |
| China Textile | 465 | 463 |
| New Asia Chem. | 97 | 98 |

Shanghai Unofficial Share Trading

British Shares, in CN\$

| Name | Oct. 7 | Oct. 12 |
|-----------------|--------|---------|
| Ewo Cotton | 9,700 | 9,500 |
| Dockyards | 10,700 | 10,000 |
| Ewo Brewery | 2,300 | 2,150 |
| S'hai Land | 3,900 | 3,700 |
| Metal Industry | 2,800 | 2,500 |
| Paper Industry | 1,800 | 1,600 |
| Asia Navigation | 1,750 | 1,650 |
| Wheelock | 21,000 | 20,000 |
| Lumber | 12,000 | 11,000 |

HONGKONG STOCKS & SHARES

Quotations:

| | 1946 | 1946 |
|----------------------------|--------------|--------------------|
| | Dec. 6, 1941 | Middle of Sept. 19 |
| H.K. Govt. 4% Loan | \$104½ | \$105 |
| H.K. Govt. 3½% Loan (1934) | — | 100 |
| H.K. Govt. 3½% Loan (1940) | — | 100 |

Banks

| | | | |
|-----------------------------|---------|---------|---------|
| Hong Kong Banks | \$1,445 | \$1,430 | \$1,390 |
| Hong Kong Banks (Lon. Reg.) | £76½ | £68 | — |
| Hong Kong Banks (H.K. Reg.) | £83 | — | — |
| Chartered Bank | £9½ | — | — |
| Mer. Bank "A" & "B" | £28.1/8 | — | — |
| Mer. Bank "C" | £12.5/8 | — | — |
| Bank of East Asia | \$77 | \$115 | \$114 |

Insurances

| | | | |
|---------------------|---------|---------|-------|
| Canton Insurance | \$250 | \$350 | \$390 |
| Union Insurance | 430 | 610 | 640 |
| China Underwriters | 50 cts. | 50 cts. | — |
| H.K. Fire Insurance | \$200 | \$275 | \$290 |

Shipping

| | | | |
|-----------------------|--------|-------|----|
| Douglas S.S. Co. | \$120 | \$200 | — |
| H.K. & M. Steam-boats | 11 | 10 | — |
| Indo-Chinas (Pref.) | 100 | 200 | — |
| Indo-Chinas (Defd.) | 110 | — | — |
| Shells (Bearer) | 63/1½d | — | — |
| Union Waterboats | \$6.55 | 7 | 14 |

Docks, Wharves & Godowns

| | | | |
|------------------------|-------|-------|--------|
| H.K. & Kowloon Wharves | \$103 | \$145 | \$157½ |
| H.K. & Whampoa Docks | 19.40 | 17 | — |
| China Providents | 7.80 | 12 | 14½ |

Mining

| | | | |
|--------------------|--------|--------|---|
| Kailan Mining Adm. | 13/6d | — | — |
| Raubas | \$6.90 | \$2.50 | — |

Lands, Hotels & Buildings

| | | | |
|-------------------------|-------|---------|-------|
| H.K. & Shanghai Hotels | \$4½ | \$12.50 | \$16½ |
| Hong Kong Lands | 38.15 | 68 | 90 |
| Hong Kong Lands 4% Deb. | 98½ | — | 100 |
| Humphreys Estates | 8½ | 17 | 19½ |
| H.K. Realities | 4.30 | 13 | 16 |
| Chinese Estates | 102 | 130 | 140 |

Public Utilities

| | | | |
|------------------------|-------|------|-------|
| H.K. Tramways | \$18 | \$25 | \$29½ |
| Peak Trams (Old) | 6½ | 6 | 7 |
| Peak Trams (New) | 3½ | 3 | — |
| Star Ferries | 55 | 60 | 63 |
| Yauamati Ferries | 23½ | 26 | 26 |
| China Lights (Old) | 6.90 | 10 | 14 |
| China Lights (New) | 3.60 | — | — |
| H.K. Electric (Old) | 22½ | 30 | 35½ |
| H.K. Electric (New) | 22 | — | — |
| Macao Electric (New) | 18½ | 23 | 21 |
| Sandakan Lights | 12.60 | — | 7 |
| H. K. Telephones (Old) | 25½ | 32 | 35 |
| H. K. Telephones (New) | 9½ | 17 | 19½ |

Industries

| | | | |
|-------------|-------|---------|---------|
| Canton Ices | \$1 | 75 cts. | 75 cts. |
| Cements | 18.30 | \$15 | \$16 |
| H.K. Ropes | 11½ | 12 | 12½ |

Stores, etc.

| | | | |
|-----------------|------|------|------|
| Dairy Farms | \$19 | \$27 | \$35 |
| Watsons | 14½ | 17½ | 26 |
| Lane, Crawfords | 8 | 17½ | 22 |
| Sinceres | 3.70 | — | — |
| Wing On, H.K. | 39 | — | — |
| Wm. Powells | 2.40 | — | 3 |

Miscellaneous

| | | | |
|-------------------------------|---------|-------|------|
| China Entertainments | \$6.90 | \$17½ | \$27 |
| Hong Kong Constructions (Old) | 1.80 | — | 5 |
| Hong Kong Constructions (New) | 50 cts. | — | — |
| Vibro Piling | \$7.20 | — | — |
| Marsman Inv. London | 7/3d | — | — |
| Marsman Inv. H.K. | 1/6d | — | — |

